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ECONOMIC AFFAIRS

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11 June 1984

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NATIONAL POLICY AND ISSUES

NATIONAL CONFERENCE ON INDUSTRIAL SURVEYS ENDS

OW070531 Beijing XINHUA Domestic Service in Chinese 1241 GMT 5 May 84

[Report by RENMIN RIBAO Reporter Lu Mu and XINHUA Correspondent Xu Yaozhong]

[Excerpts] Beijing, 5 May (XINHUA)--In accordance with the requirements laid down by the State Council on conducting general industrial surveys throughout the nation during 1986, the national conference on the work of conducting general industrial surveys, which ended today, decided to earnestly carry out two general surveys on an experimental basis this year, and at the same time, made arrangements for the work of conducting such surveys next year.

A nation-wide industrial survey is a major survey of state affairs and national strength for formulating plans to develop the national economy, strengthening guidance over the macroeconomy and control over various trades, and providing the various departments with basic information and data. This conference was held on 29 April in Beijing by the leading group for conducting general industrial surveys under the State Council.

It was decided at the conference that two general surveys will be conducted this year. A general survey will be conducted in various enterprises on an experimental basis while another survey will be conducted in cities on an experimental basis. The survey in enterprises will be conducted from May to the end of July this year.

Another survey will be conducted on an experimental basis in cities from September to the end of November. During this period, the leading group for general industrial surveys under the State Council will organize all survey workers from all areas and departments to concentrate their efforts in conducting the survey in Changzhou and in one or two other cities.

The conference pointed out: Cadres at all levels must truly understand the important role of industrial surveys, both in ideology and in practice, to the realization of the modernization of industry and to the fulfillment of the magnificent goal by the end of this century. This is an important target in making preparations for the general surveys and a fundamental guarantee in successfully accomplishing the task of conducting the general surveys. The conference clearly pointed out that the leadership at all

levels must fully realize the necessity and the arduous nature of the industrial surveys.

Attending the opening ceremony held on 29 April were State Councillor Zhang Jingfu, Vice Minister Yuan Baohua of the State Economic Commission, Vice Minister Chen Xian of the State Planning Commission, and Director Li Chengrui of the State Statistical Bureau. They also delivered speeches. Also attending the conference were Vice Chairman Wang Chonglun of the All-China Federation of Trade Unions and Vice Minister Chi Haibin of the Ministry of Finance.

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NATIONAL POLICY AND ISSUES

GUANGMING RIBAO ON NEED FOR STATE-RUN ECONOMY

HK040823 Beijing GUANGMING RIBAO in Chinese 15 Apr 84 p 3

[Article by Wu Wei [0702 1792] and Liu Chengrui [0491 2052 3843]: "The System of Planning and the Ownership by the Whole People of the Means of Production"]

[Text] Editor's note: A reform of the economic system is imperative in order to meet the demands of economic development in our country. However, the "self-transformation and perfection" of the economic system cannot be accomplished in one move but is a process of incessant and repeated practice. In the course of practice, many theoretical questions which await solutions are put forward. Research into and solutions to these theoretical problems will undoubtedly push forward the reform of the economic system. Starting from this issue, this paper's special supplement "Economics" will launch a column on "discussion on theoretical questions on reform of the economic system" in order to arouse thorough discussion. [End editor's note]

Up to now, all countries which implement a planned economy are in a stage of coexistence of socialist public ownership and certain individual ownership as far as the ownership system of the means of production is concerned. There are no differing views in theory on this question. However, people have differing understanding in regard to whether or not the system of socialist public ownership is divided into the system of ownership by the whole people and the system of ownership by the collective, why the system of ownership by the whole people adopts the format of the system of state ownership (state-run economy), what the characteristics of this are, and what its spontaneous connection with the planned economy is.

A planned economy only appears under certain historical conditions. Socialized mass production emerged under the conditions and forms of capitalist production, thus posing the [dilemma] that the national economy be developed in a planned way. However, in the narrow area of the system of capitalist ownership, it is impossible to achieve planned social production; only by achieving the socialist system of public ownership of the means of production can we possibly achieve a planned economy. Thus, the social nature of the process of production is only the general material premise of a planned economy, while the socialist system of public ownership is the economic basis of a planned economy which has critical significance.

At the present stage, there are two forms of the socialist system of public ownership: ownership by the whole people and ownership by the collective. Both of them belong to the public ownership system, but there is a great difference between them. The system of ownership by the whole people is in essence a system in which society owns the means of production and, when compared with the system of ownership by the collective, possesses an advanced production force, including the production departments which are of critical importance to the development of the national economy. In addition, it possesses a higher degree of the sense of society, unity, and centralization. As a result, we cannot only fulfill the planned demands of the economy owned by the whole people but can also achieve a planned development of the entire national economy by relying on an economy owned by the whole people. If there is only the system of ownership by the collective, without the system of ownership by the whole people, or when the system of ownership by the whole people does not enjoy superiority in the national economy and fails to take a leading role, we can never really achieve a planned economy.

Ownership by the whole people means ownership by society, which in essence means a system in which the means of production are owned by society. The economy of ownership by the whole people is a united whole, it objectively demands that centralized and planned leadership be launched in accordance with the needs of the society. The nature of the economy owned by the people determines that its activities must serve the interests of the whole of the laboring masses. At the present stage, only the socialist states can, being the core of the society and representing all the people, perform the functions of leadership, command, organization, and management, and realize the possession, allocation and utilization of the means of production. Therefore, the socialist system of ownership by the whole people means the system of socialist state ownership, in the form of a state-run economy.

Some comrades hold that the essence of the reform of the economic system is to change the socialist system of ownership by the whole people, for the reason that it fails to integrate the laborers directly with the means of production, that it gives rise to various flaws in economic life, and that it hinders the development of the productive forces. They advocate replacing the system of ownership by the whole people with ownership by the collective and ownership by enterprises. This is obviously an incorrect opinion.

One of the basic characteristics of the socialist system of ownership by the whole people is that the means of production are owned by all the laboring masses, and that the laborers are directly, not indirectly, integrated with the means of production. This characteristic most profoundly reflects the nature of the system of ownership by the whole people.

All kinds of production need an integration between the laborers and the means of production. Under the capitalist system, the capitalists own the means of production and the laborers have nothing but their capacity for physical labor. There is a "phantom," the capitalist, standing between the laborers and the means of production. That kind of integration can only be called an indirect integration. Meanwhile, the socialist system of ownership

by the whole people is able to achieve a direct integration between the laborers and the means of production. This is because all the laboring masses of a socialist society are, on the one hand, the common owners of those means of production, and are, on the other hand, the laborers. This is the same as far as the scope of the state-run enterprises is concerned. However, it is the laborers of the enterprises, together with all the laboring masses of the society, who are the common owners of the means of production. There is no social cliques which monopolize the means of production. If we say that, because of state organization and management, the economy of the socialist system of ownership by the whole people fails to achieve a direct integration between the laborers and the means of production, leadership of the state organs over state-run enterprises will certainly be regarded as interference by the alien force of the laboring masses, and this will confuse the form of integration decided by the two different social systems. If direct integration only means staff self-government within the various enterprises, which means that the means of production are under the direct management of the staff members, there will be no direct integration between an individual laborer of the enterprises and the means of production owned by the whole people. In fact, even the economy of ownership by the collective must rely on the representatives of the collective to perform its organization and management functions. This also will not be regarded as a direct integration in accordance with the above-mentioned reasoning, and only an individual economy will be able to achieve a direct integration between the laborers and the means of production. What conclusions can we draw from this?

This certainly does not mean that there are no contradictions or flaws in the present economy of ownership by the whole people. However, these problems do not arise from the system of ownership by the whole people itself, but are closely related to the management of the economy of ownership by the whole people. Thus, the crux lies in promoting economic reform, reforming the production relations and certain cardinal links in the superstructure which hinder the development of the productive force, and gradually setting up a management system of the state-run economy which complies with the national situation in China.

The objective of social production depends on its relation to the system of ownership of the means of production. The socialist state-run economy is under the ownership of the whole people and its objective in production is certainly to satisfy the needs of the whole society, and this includes the interests of the enterprises of the state-run economy and the interests of individuals. The interests of the state-run enterprises and of individuals should not be neglected. However, they must be subordinate to the interests of society. Past problems can be accounted for by the fact that the economic interests of the state-run enterprises and their corresponding decisionmaking rights in the areas of production, distribution, exchange, and consumption, which should have been recognized, were neglected. This is a problem in the reform of the economic system which awaits an appropriate solution.

It is worth pointing out that all individuals and cliques are forbidden to serve the interests of a minority of the people or of a part of society's members by making use of the means of production owned by the whole people. Even the amount of reward given to the laborers of the state-run enterprises by their respective enterprises must depend on the extent of their contribution and must not depend on the difference in the means of production owned by the whole people and utilized by the respective enterprises. In order to promote the reform of the system of economic management, it is necessary to delegate to the economic management organs the power and means to exercise supervision and regulation over the state-run enterprises in order to ensure that enterprises enjoy the proper economic interests, that enterprises will not serve their own interests at the expense of the whole society, and that the economic interests of the enterprises will not exceed the interests of the society. Otherwise, this will lead to deviation from the objective of socialist production, the system of ownership by the whole people will exist only in name but not in reality, and the system of a planned economy will not be achieved.

Another basic characteristic of the socialist system of ownership by the whole people is planning. The system of ownership by the whole people corresponds to a highly socialized production force. Planning is on the one hand, an internal demand of the state-run economy, and on the other, a prerequisite of the country for enforcing economic management. Simultaneously, the system of ownership by the whole people makes it possible to fulfill the plans of the state-run economy.

Under the coexistence of the various economic forms, whether or not the national economy can develop in a planned and proportional way basically depends on the planning of the significant part of the national economy. By means of effective and planned management of the state-run economy, the state guides and controls other economic activities, keeping the whole national economy on the track of overall planning. This is where the superiority of the socialist system lies. In this connection, the state must have actual control over the state-run enterprises in order to ensure direct planning and regulation in management. When the state-run enterprises have certain decisionmaking rights, there is bound to be a certain blindness in planning and policymaking. But as long as there is appropriate control over those rights exercised by the state, partial deviation will not lead to an overall imbalance. Thus, under the condition that the system of ownership by the whole people controls the lifeline of the national economy, and due to its characteristic of planning, it is impossible for a situation of anarchism to occur in social production. If there is no planning in the economy of ownership by the whole people, there will not be a planned development of the national economy, there will not be a firm guarantee for the objective of socialist production, and the socialist system of ownership by the whole people will lose its economic significance.

Under unified planning, the tasks for reforming the system of planning are to implement management according to different categories in the state-run economy (including planned management of the enterprises) and to adopt different forms of planned management according to the different levels of

the production force within the state-run economy. The reason the state-run economy occupies a leading position in the national economy is not that the state possesses the means of production by its political power or that the state, as an owner, obtains taxation profits from those who utilize these means of production (the state-run enterprises), making it the main source of the state's financial revenue. It is because the products provided by the state-run economy and the basic structure of the national economy which it grasps is the economic capacity which is the result of planned construction by the state and which can be directly made use of by the state. Such a strong economic capacity is the material means which is able to control the development direction of the national economy. Therefore, we must not, in a nonanalytical manner, advocate the idea of "separating ownership rights and the utilization rights" and implement the system of "independent management and the enterprises being solely responsible for their own profits and losses" in the large and medium-scale enterprises, for it enables these state-run enterprises to have complete control over the means of production that they utilize and over the end products and to be free in the implementation of the state plans apart from submitting taxes to the state. If such a situation appears, the socialist system of ownership by the whole people exists in name but not in reality.

There are some industrial, handicraft, commercial, and service units in our country which have relatively low production levels. The scale of these units is small and they do not have a great influence over the national economy. Maintaining the condition of ownership by the whole people, these units can be managed either by the state, the collective, or individuals, and can be responsible for their own profits and losses, so that they can enjoy extensive decisionmaking rights. Moreover, peasant households and individuals can contract, under the name of ownership by the whole people, and assuming responsibility for their own profits and losses, for long-term business in agricultural production, forestry, fish breeding, and other production areas which were originally managed by the state-owned units and for development of barren hills and undeveloped waters which mainly depend on manual labor and which are limited by natural factors and the management of which is scattered. Steps must be taken to reform these areas.

In short, the reform of the system of planning is the launching of self-transformation and self-perfection in the specific management of planned economy on the basis of the socialist system of ownership by the whole people. Therefore, the steps and goal of the reform are to fully realize the demands of the basic characteristics of the socialist system of ownership by the whole people, not only the giving legal recognition to quality of the economy of ownership by the whole people but incessantly perfecting, consolidating, and developing the objective relations of the system of ownership by the whole people. Any kind of advocacy which changes the quality of the economy of ownership by the whole people will only weaken or even disintegrate the basis of a planned economy.

ECONOMIC PLANNING

PAPER ON DECENTRALIZATION IN PLANNED ECONOMY

HK160540 Beijing GUANGMING RIBAO in Chinese 6 May 84 p 3

[Article by Lu Ruliang [0712 3067 5328]: "The Question of Centralization and Decentralization in the Planning System"]

[Text] The socialist planned economy is a centralized economy, and the planned management is characterized by centralization of power. However, with the continued exposure of drawbacks in the economic management system, some states which practice a planned economy have successively started economic reforms in their countries. At the same time, a tendency of emphasizing decentralization in economic activities and management has appeared in both theory and practice.

In the economic field, centralization and decentralization, or unity and freedom, involve wide and diverse implications. As far as economic management is concerned, the main question is the relationship between the centralization and decentralization of management powers. This includes the centralization and decentralization of management powers between different levels of state organs, between the state and various economic units, and between different levels of an economic unit. In particular, the centralization and decentralization of management powers between the state and various economic units represent the main characteristic of an economic management system.

Dispersion, freedom, and decentralization of management powers are objective requirements of economic development. Under the conditions of a commodity economy, each commodity producer is also a possessor of relevant production materials and products. In order to safeguard their own interests, all commodity producers demand that they be able to decide their production and operation.

Concentration, unity, and centralization of management powers are objective requirements of socialized production. Under the conditions of capitalist commodity production, the reality of developing socialization of production requires that social production be subject to centralized and unified management. However, the objective requirement cannot become a dominant factor of the capitalist economy. Only after the establishment of the socialist public ownership system can the realization of concentration,

unity, and centralization of powers in economic management become possible. In the final analysis, unity and centralization in economic management are determined by the development of social productive forces and the degree of production socialization.

The existence of objective requirements for both centralization and decentralization and for both unity and freedom represents a major characteristic of the socialist economic management. The reasons for this are as follows:

1. At the socialist stage, social productive forces have developed to a fairly high level and socialized production has taken shape. Economic development requires that social production be subject to unified disposition and regulation. This is the objective foundation for the centralization of management power. However, since the level of productive forces and the degree of production socialization are not high enough and the development in different departments, localities, and enterprises is still uneven, commodity production and exchange must continue to exist and develop. Therefore, some scattered economic activities, independent operation, and decentralization of management powers are also necessities of economic development.

2. The socialist public ownership system for the means of production and, especially, the establishment of the whole people ownership system, provide a material precondition for unified economic activities and centralized management. However, in a socialist country like ours, the ownership structure is characterized by the coexistence of diverse economic elements with the whole people-owned economy holding a dominant position, and this situation will continue for a long time to come. In economic units under different ownership systems, powers, responsibilities, and benefits are distributed in different ways. So, centralization and decentralization should be combined in different patterns to organize and manage the national economy.

3. At the socialist stage, commodity production and exchange must be greatly developed for a long time. Correspondingly, economic management must ensure a full scope for the positive role of commodity, money, and the law of value. Although commodity producers under the public ownership system must, to differing degrees, subject themselves to the state's centralized and unified disposition and regulation and must obey the state's unified and planned management, they should still have decisionmaking power in handling their production.

4. Under socialist conditions, the fundamental interests of all working people, all economic units, and the state coincide. This makes it possible to effect unified and centralized economic management. At the same time, laborers' individual material interests are directly linked to their respective work results and their economic units' business results. So their economic interests differ. The differences in material interests give an inherent impetus to socialist economic development. Therefore, a certain degree of decentralized management is an objective necessity.

5. The socialist state must follow the basic socialist economic law in organizing production and construction so as to satisfy social demands. For this reason, the socialist state must concentrate financial and material resources and must directly manage and regulate social economic activities. However, what the state can ensure through centralized management are the basic needs of economic development and the people's livelihood rather than all needs. Therefore, various economic units still have a wide scope for handling independent operation to meet the complex and various needs in society.

The socialist system must be accompanied by a planned economy. Regulating the overall economy according to unified plans represents a high degree of centralized and socialized management. However, due to the limitations of the present level of our productive forces, the degree of socialized production, the ownership structure, and the level of planned management, it is still impossible to carry out this high degree of centralized and planned management in all fields of economic life. It can only exist in the main body of production and circulation. The nonessential part of the national economy [will still] be subject to regulation governed by the law of value as a supplement to planned regulation. Only thus can proportional development of socialized [passage indistinct].

It should be pointed out that centralized management is objectively required to play a leading role and hold a dominant position in the national economy. This is because large-scale socialized production is the dominant factor in socialist production and the economy under the public ownership, especially the whole people ownership system, is the leading element among other economic elements. Moreover, the uniformity of the interests of the state, the collective, and the individual outweighs the difference in their interests; planned production and circulation hold a dominant position in the planned economy, and the basic needs of social production and the people's livelihood are guaranteed by the state's centralized regulation.

Economic units under the whole people ownership system are cells that constitute the whole people-owned economy. The right to dispose of their production materials, funds, products, and incomes and the decisionmaking power in regard to their production, circulation, and distribution activities belong to the whole of the working people or to the state. The state represents the whole people in exercising authority over the organization and management of the economy. Economic units under the whole people ownership system should be the first to be responsible to the state directly; that is, they should be responsible to the whole people. Apart from the portion being distributed among workers and being retained by the collective of workers according to their work and contributions, all economic interests of these whole people-owned enterprises, both those being turned over to the state and those being left at the disposal of the enterprise, should be regarded as part of the interests of the whole people. In order to better arouse laborers enthusiasm and to improve the economic units' management and economic results, the state can transfer more powers and interests to the economic units in different ways on the multi-level management principle. This means that part of the right to dispose of funds, materials, and products

and part of the economic benefits can be transferred to lower economic organizations. However, this is only a matter concerning management methods and does not mean a change of the ownership character of these powers and interests. If necessary, the state can readjust the management system again. This character of the economic units under the whole people ownership system and their position in the national economy forms the most important objective basis for the centralization of economic management.

In large-scale socialized production, the coordination of the entire economy is more important than the flexibility of individual economic units. The former is the main aspect of the contradiction. It is unavoidable that blindness appears in economic activities in which commodity producers play a major role. If no effective coordination is made in large-scale socialized production, the spontaneous activities of economic units will easily lead to a destructive result. Therefore, the independent and flexible activities of various economic units, especially those under the whole people ownership system must be subordinate to the coordinated development of the national economy as a whole. From this point of view, centralization should hold a dominant position as compared with decentralization.

An appropriate degree of decentralization in economic management coincides with the objective requirements of socialist economic development and will continue to be the main content of future reforms of the economic system and the planning system. So long as this decentralization does not affect the dominant position of centralized and planned management, it will give greater impetus to the economic units and better ensure the coordination of the overall economic development so as to speed up the development of our socialist economy.

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AGGREGATE ECONOMIC DATA

FUJIAN COMMUNIQUE ON 1983 ECONOMY

OW190640 Fuzhou FUJIAN RIBAO in Chinese 6 May 84 p 4

[Communique on 1983 National Economic and Social Development in Fujian Province--by the Fujian Provincial Statistical Bureau, 1 May 1984]

[Text] In 1983 under the leadership of the party Central Committee, the State Council, the provincial party committee, and the provincial people's government, the people in Fujian Province continued to implement the principles of "readjusting, restructuring, consolidating and improving" set forth by the central authorities, continued to adopt "special policies and flexible measures," persisted in opening to the outside world and enlivening the economy at home, vigorously developed mountainous and marine resources in building the eight production centers, and got fairly good results in economic and social development. Initial calculations put the annual social output value at 21.623 billion yuan, up 6.7 percent over 1982. This included the total industrial and agricultural output value of 17.189 billion yuan, up 7.5 percent over 1982. According to preliminary calculations, national income was 10.575 billion yuan, up 6.5 percent over 1982. As production developed, living standards continued to rise and new progress was made in building spiritual civilization.

1. Agriculture

In 1983 rural areas in the province continued to stabilize and perfect the system of contracted responsibilities in production and popularize agricultural science and technology, thereby further arousing the peasants' enthusiasm for production, overcoming all kinds of natural disasters, and reaping a good agricultural harvest. The province's total agricultural output value was 7.793 billion yuan, a 7.2-percent increase over 1982. An increase of 6.7 percent was registered after deducting the industrial output value of 897 million yuan produced by enterprises run by rural production brigades and teams.

Of the total agricultural output value, output value from agriculture (crop cultivation) was 3.879 billion yuan, down 1.51 percent from 1982; output value from forestry was 557 million yuan, up 17.1 percent; output value from animal husbandry was 1.147 billion yuan, up 13.1 percent; output value from sideline production was 1.529 billion yuan, up 21.3 percent; out value

form fish was 692 million yuan, up 17.7 percent. The proportions of forestry, animal husbandry, sideline production, and fishery were increased somewhat.

Grain production continued its steady growth, with total output reaching 17.16 billion jin, overfulfilling the plan by 0.9 percent, an increase of 1.1 percent over 1982. Output of cash crops was generally lower than that of 1982 because of the small sown acreage and natural disasters.

Output of major farm products:

| | 1983 | % increase over 1982 |
|-------------------|--------------------|-------------------------|
| Grain | 17,160,000,000 jin | 1.1 |
| of which: Paddy | 15,120,000,000 jin | 5.6 |
| Barley, wheat | 240,000,000 jin | -57.9 |
| Tubers | 1,600,000,000 jin | -12.6 |
| Oil-bearing seeds | 2,883,000 dan | -28.2 |
| of which: Peanuts | 2,606,000 dan | -25.3 |
| Rapeseed | 258,000 dan | -47.8 |
| Jute, ambary hemp | 162,000 dan | -16.5 |
| Sugarcane | 68,845,000 dan | -13.6 |
| Cured tobacco | 246,000 dan | -63.8 |
| Tea leaves | 660,000 dan | 0.8 |
| Fruits | 3,889,000 dan | 13.8 |

Fairly big progress was made in forestry. The province's afforested land reached 3.396 million mu, up 51.7 percent over 1982. Output of forestry and sideline products increased.

The number of hogs and cattle increased. The output of pork, beef and mutton rose by 7.8 percent over 1982.

Numbers of major livestock and output of animal byproducts:

| | 1983 | % increase over 1982 |
|------------------------------|-----------------|-------------------------|
| Output of pork, beef, mutton | 653,000,000 jin | 7.8 |
| of which: output of pork | 640,000,000 jin | 7.6 |
| Milk | 47,870,000 jin | 24.0 |
| Hogs slaughtered | 4,597,000 head | 6.0 |
| Number of hogs at year-end | 7,449,000 head | 1.5 |
| Number of cattle at year-end | 1,090,000 head | 0.7 |
| Number of goats at year-end | 624,000 head | -11.9 |

Fairly big progress was made in fish production. The annual output of aquatic products was 606,000 metric tons, exceeding the state plan by 21.2 percent, 16.3 percent more than in 1982. The total catch of marine products rose by 16.3 percent while freshwater products increased by 16.9 percent.

State farms made a profit of 5.788 million yuan in 1983.

The number of farm machines, use of chemical fertilizer, and power consumption rose in varying degrees. Total power capacity of farm machines reached 4.408 million horsepower by the end of 1983, up 7.4 percent over 1982. The number of small and walking tractors was 86,000, up 7.5 percent. The number of heavy-duty trucks for agricultural use was 5,000, up 13.5 percent. The power capacity of irrigation and drainage equipment was 775,000 horsepower, up 4.1 percent. A total of 476,000 metric tons of chemical fertilizers were applied during the year, a 4.5-percent increase over 1982. The total consumption of electricity in rural areas was 800 million kilowatt-hours, an increase of .2 percent over 1982.

2. Industry

In 1983 the gross value of industrial production amounted to 9.395 billion yuan, showing a 7.7 percent increase over the preceding year. If industrial enterprises run by production brigades and teams were included, the gross industrial production value for the year would be 10.292 billion yuan, up by 7.9 percent compared with the preceding year.

Among the 68 main industrial products listed in the plan, production quotas were fulfilled or overfulfilled for 42 products, including canned food, bicycles, tape recorders, household refrigerators, machine-made paper and cardboard, coal, electricity, rolled steel, chemical fertilizer, cement, and lumber. Production quotas for 26 products were not fulfilled. They included sugar, crude salt, chemical fiber, and steel.

Gross production value of light industry in 1983 was 5.706 billion yuan. This was 5.7 percent more than the preceding year. Output of main light industry products:

| | 1983 | % increase over 1982 |
|----------------------------|---------------------|-------------------------|
| Crude salt | 762,000 metric tons | 26.9 |
| Sugar | 331,400 metric tons | - 8.5 |
| Cigarettes | 298,200 cases | 4.1 |
| Beer | 16,000 metric tons | 88.2 |
| Canned food | 75,500 metric tons | - 4.1 |
| Chemical Fibers | 10,400 metric tons | -22.6 |
| Cotton goods | 132,740,000 meters | - 9.1 |
| Silk fabric | 12,241,200 meters | 2.9 |
| Bicycles | 256,900 | 5.4 |
| Sewing machines | 284,800 | -20.2 |
| Plastic articles | 74,600 metric tons | 2.0 |
| Household refrigerators | 5,500 | 1.7 times |
| Household washing machines | 5,300 | 2.0 times |
| Tape recorders | 64,600 | - 7.3 |

[Table continued]

| | 1983 | % increase over 1982 |
|----------------------|--------------|-------------------------|
| Television sets | 225,000 sets | 9.4 |
| Of which: Color sets | 133,100 sets | 91.0 |
| Pocket calculators | 802,300 | 41.4 |
| Light bulbs | 44,000,000 | 12.8 |

Gross production value of heavy industry in 1983 was 3.689 billion yuan, exceeding the preceding year by 11.3 percent. Output of main heavy industry products:

| | 1983 | % increase over 1982 |
|---|--------------------------|-------------------------|
| Coal | 5,252,600 metric | 19.1 |
| Power output | 6,155,000,000 kwh | 7.6 |
| Steel | 237,900 metric tons | - 4.5 |
| Pig iron | 296,700 metric tons | - 0.9 |
| Rolled steel (rolled steel products) | 225,000 metric tons | 7.3 |
| Lumber | 3,968,300 cubic meters | 14.8 |
| Rosin | 55,000 metric tons | -32.8 |
| Cement | 2,066,600 metric tons | 26.2 |
| Plate glass | 1,036,800 standard cases | 41.3 |
| Sulfuric acid | 128,000 metric tons | 0.1 |
| Caustic soda | 56,100 metric tons | - 3.8 |
| Chemical fertilizers | 281,400 metric tons | 3.4 |
| Chemical pesticides | 7,600 metric tons | -53.7 |
| Plastics | 33,500 metric tons | 15.0 |
| Power generating equipment (500 kw or above) | 16,700 kw | 26.5 |
| Hand-guided tractors | 16,900 each | 46.0 |
| Microcomputers | 746 sets | 3.3 times |

The economic results of industry were improved. Energy savings in 1983 on the industrial front were equivalent to 182,000 metric tons of standard coal. Labor productivity of state-owned industrial enterprises with independent accounting rose 4.9 percent over the preceding year. Of the 73 main quality norms for industrial products, 59 were better than or the same as the preceding year. This was 80.8 percent of the total number of quality norms. Of the 60 main norms for material consumption in making a unit quantity of a product, 40 norms, or 66.7 percent, declined from or remained the same as the preceding year. Output value of state-run industrial enterprises listed in the budget increased 6.7 percent. This sales revenue increased 9.9 percent, while losses declined 39.1 percent. The problem of using too much circulating funds has been somewhat alleviated. However, because of the rising prices of raw and semi-finished materials and other reasons, production cost calculated in terms of comparable products was 1.5 percent higher than the preceding year. Some products could not meet the changing demands of society.

3. Investment in Fixed Assets

The total investment in fixed assets of state-owned units in 1983 came to 1.66 billion yuan, up 9.8 percent from 1982; and that of urban and rural collectively owned units to 477 million yuan, an increase of 29.8 percent. Investment in urban and rural residents' housing construction was 459 million yuan, down 1.1 percent from 1982.

The investment in capital construction by state-owned units, as part of their investment in fixed assets, was 1.183 billion yuan, an increase of 5.9 percent over the year before. Of the total investment in capital construction, 306 million yuan was covered by the state budget, down 7.5 percent from 1982; investment from domestic loans was 330 million yuan, up 11.1 percent from the preceding year; investment from foreign capital was 42 million yuan, down 28.8 percent; and investment through funds raised by localities and from other sources was 505 million yuan, up 17.4 percent. Of the total investment in capital construction of state-owned units, 605 million yuan, or 51.2 percent, was used in productive projects. Of the investment in productive projects, 117 million yuan was used in the energy industry, 63.3 percent more than the preceding year; and 164 million yuan was used in communications and transportation, an increase of 9.5 percent. The nonproductive construction investment was 580 million yuan, accounting for 48.8 percent of the total investment in capital construction. Of the nonproductive construction investment, 311 million yuan was used in housing construction, 6 percent more than in 1982; 83 million yuan was used in education, 29.7 percent more than the preceding year.

The investment in state-owned capital construction projects in Fujian was 994 million yuan, an increase of 8.4 percent over 1982. Calculated in terms of state plan items, the investment used was 823 million yuan, or 97.7 percent of the readjusted state investment plan figure. The investment used in 25 key construction projects in the province was 299 million yuan.

In 1983, an investment of 194 million yuan was used in capital construction of the Xiamen special economic zone, an increase of 12.6 percent over 1982. Of the investment, 35.31 million yuan was used in the Huli processing district; this investment in the processing district was 2.7 times the 1982 investment, overfulfilling the 1983 state plan. The projects that were completed and began yielding results included the main runway and the air traffic control building of the Xiamen international airport, the No 1 and No 2 berths of Xiamen's Dongdu Harbor, the Yong'an-Xiamen power transmission and transformer project, and housing in the Huli processing district with a total floor space of 53,300 square meters.

The investment in capital construction achieved better results. In 1983, the increase in fixed assets of state-owned units amounted to 896 million yuan, up 33.5 percent as compared with the 1982 increase. The ratio between the total newly added fixed assets and that which had been put to use rose from 60.1 percent in 1982 to 75.7 percent in 1983. The completion ratio of housing projects also increased from 49.7 percent in 1982 to 42.1 percent in 1983. The newly added production capacities included 44,600 kilowatts of power generation capacity, 18 kilometers of power transmission lines (for 110,000

volts and higher voltage), 78,500 cubic meters of timber, 20,000 cotton spindles, 473 looms, 52,000 metric tons of machine manufactured sugar, and 37,400 metric tons of paper and cardboard. Also added or expanded were 6 wharves, 2,340 meters of runway for civil aviation, 88,000 student seats, and 610 hospital beds.

Existing enterprises stepped up their technical transformation.

In 1983, state-owned units spent 450 million yuan on upgrading and transformation, 13.5 percent more than the 1982 spending. Of those units, units in the energy industry invested 43 million yuan, an increase of 31.5 percent; units in transport, posts and telecommunications departments invested 60 million yuan, up 11.5 percent. Newly added fixed assets as a result of the upgrading and transformation amounted to 287 million yuan, up 6 percent from the preceding year, with 863 projects completed and put into operation. However, 52.2 percent of the investment in technical transformation was used in building and expansion projects.

In 1983, new progress was made in geological prospecting. The province overfulfilled planned targets in prospecting mineral deposits, including anthracite, barite, iron, manganese, silicious sandstones, and moulding sand.

4. Transportation, Posts and Telecommunications

As a result of various transport departments' efforts to tap production potentials and strengthen economic management, passenger and freight transport volume were increased. The total volume of goods transported by trains, motor vehicles, steamers and barges was 9,441 million metric ton-kilometers, up 8 percent from 1981. Of this, the volume of railway freight was 6,143 million metric ton-kilometers, an increase of 7.7 percent; that of road goods was 865 million metric ton-kilometers, down 4.4 percent from 1982; that of waterway cargo was 2,433 million metric ton-kilometers, up 14.2 percent; and that of air freight by civil aviation was 1,780.8 metric tons; up 63.7 percent. The volume of cargo handled at sea ports was 7,664,900 metric tons, 8.7 percent more than the previous year.

The volume of passenger travel handled by railways, highways, and waterways was 7,837 million man-kilometers, a 12.9 percent increase over 1982. Of this, the amount by railway was 2,722 million man-kilometers, up 17.3 percent; road passengers was 4,823 million man-kilometers, an increase of 11.4 percent; waterway passengers was 292 million man-kilometers, up 0.2 percent; and the number of passengers by air was 55,600 persons, an 8.7 percent increase over 1982.

New developments were made in aviation and foreign trade transportation. The Xiamen International Airport was completed and put into operation last October. Presently there are chartered planes flying between Fuzhou and Xiamen and Hong Kong. "Jimei" and "Gulangyu" passenger steamboats transported 98,300 passengers without accident, an increase of 35.2 percent over 1982. A number of loading and unloading points were opened along the coast.

Posts and telecommunications revenue throughout the province amounted to 62,885,000 yuan in 1983, topping 1982 by 9.1 percent. Direct long-distance calls were begun to Hong Kong and over 20 cities around the country after computerized telephone exchanges were put into operation. At the same time, 8 additional telephone lines were opened from Fuzhou and Xiamen to Hong Kong, while semiautomatic outgoing calls and automatic incoming calls from Xiamen, Putian, Guanzhou, Zhangzhou, Sanming, Jianyang and Changle to Hong Kong were instituted, thereby improving the coastal region's telecommunications facilities.

Of the total posts and telecommunications transactions, letters increased 1.7 percent; parcels were down by 11.3 percent; newspapers and magazines increased respectively by 12.7 and 13.1 percent; telegrams were up 10.9 percent; and long-distance telephone calls were up 14 percent. The number of telephones in urban use toward the end of 1983 increased by 14 percent and those in use in rural areas increased by 2.3 percent.

5. Commerce

The total value of retail sales in 1983 (including the total value of retail sales by peasants to non-agricultural population) was 7,233 million yuan, a 9.4 percent increase over 1982, or 7.8 percent if the rise in retail prices is excluded.

Of the total value of retail sales, sales of the collectively-owned economy and individual economy showed bigger increases. The total value of retail sales by collectively-owned commercial units was 988 million yuan, up 19.0 percent, and that by individual commercial units was 569 million yuan, up 220 percent. The proportion of the economy that is collectively owned rose from 13 percent in 1982 to 13.7 percent in 1983 and that of the individual economy from 2.7 to 7.9 percent.

The volume of retail sales for the majority of the major consumer goods went up in 1983. The increase over 1982 for grain sales was 5.2 percent; hogs and pork sales, 30.1 percent; cigarette sales, 10.3 percent; alcoholic beverage sales, 28.3 percent; polyester and cotton cloth sales, 45.0 percent; silks and satins, 9.6 percent; television sets, 150 percent; watches, 2.5 percent; and bicycles sales, 0.4 percent. Nevertheless, supplies of nonstaple food still lagged behind demand.

Business was brisk at country fairs in cities and towns with the total transactions reaching 1,346 million yuan in 1983, up 14.3 percent from 1982.

The total value of goods purchased by state-owned commercial units was 5.46 billion yuan, an increase of 2.9 percent over 1982. Of this, the value of grain increased by 17.3 percent; that of hogs and pork was up 9.8 percent, and that of aquatic products was up 4.5 percent. The total value of goods held in stock by state-owned commercial units toward the end of 1983 was down by 0.4 percent from 1982.

In 1983, the general price index of retail sales in the province rose 1.5 percent over the previous year. Of the retail sales, the list price index rose 1.2 percent, the negotiated price index rose 3 percent, and consumer goods at peasant markets were up 4.3 percent; and retail prices rose 1.6 percent in the cities and 1.1 percent in rural areas. The cost of living price index of workers and staff rose 2 percent, with prices for services rising 6.1 percent.

In 1983, the cost rate for commodity circulation of enterprises under the provincial department of commerce was slightly down by 0.2 percent; the turnover period of their working funds was shortened, and their profits rose 2.6 percent over the previous year. Commodity circulation costs of supply and marketing cooperatives rose 0.6 percent, the turnover period of their working funds increased by 10 days and their profits dropped 16.2 percent.

In 1983, state controlled purchases and sales of means of production exceeded planned targets by 18.4 percent and 18.7 percent respectively. Total profits from state controlled sales exceeded the plan target by 28.3 percent. The next volume of sales of most products increased over the previous year, with sales of coal up 21.8 percent, caustic soda up 32.6 percent, soda ash up 33.5 percent, cement up 13.8 percent and rolled steel down 2.2 percent.

6. Foreign Trade and Tourism

Foreign trade continued to grow. In 1983, the total value of the province's imports and exports came to 1,154 million yuan, an increase of 18.4 percent over the previous year. The total value of imports was 400 million yuan, up 52.1 percent from 1982. The total value of exports amounted to 754 million yuan, up 5.9 percent from the previous year. The province overfulfilled the state plan in both export and import trade.

In 1983, the province signed 107 contracts on imports of technology, exceeding the planned target of 100 contracts set at the beginning of the year. Of those imported technologies, 40 have been applied in production.

The tourism industry made further progress. The overseas Chinese Hotel in Fuzhou and the Haiwai Building in Xiamen have been put to use. Hotel beds increased by 24 percent as compared with the previous year. Passenger cars for tourists increased by 23 percent. According to statistics in 36 major cities and counties, 211,500 foreigners, overseas Chinese and Hong Kong, Macao and Taiwan compatriots came to Fujian on tours, visits, trade and scientific and cultural exchanges, or on visits with relatives and friends. The number of visitors increased by 8.5 percent as compared with the previous year. Of those visitors, 41,500 were foreigners, up 38.4 percent; 28,100 were overseas Chinese, up 10.1 percent; 141,900 were Hong Kong and Macao compatriots, up 1.9 percent. The number of Taiwan compatriots who visited Fujian rose remarkably. The province earned 18 percent more foreign exchange from tourism in 1983 than in 1982.

7. Science, Technology, Education and Culture

In 1983, there were 137,100 natural scientists and technicians in Fujian Province, an increase of 7.8 percent over the previous year. The scientific and technological work was geared to the needs of economic construction. The province made delightful achievements in development of new products, and in application and popularization of new technologies and new scientific research results. Ninety-one major scientific and technological achievements won awards from the provincial government. Seventy-one of them, accounting for 78 percent, have been put to use; and 18 of them have been popularized.

In 1983, the products quality control and examination organizations in the province examined 1,216 kinds of products, 19.9 percent more than in 1982. The province established provincial-level metrological standards for 137 kinds of products in 34 classifications and 8 major categories. A total of 419,500 pieces of metrological instruments were inspected.

Institutions of higher learning in the province had 600 graduate students in 1983, up 32.7 percent from 1982. In 1983, these schools enrolled 9,564 students for regular and specific-need classes, 1,405 students more than the previous year; and graduated 7,263 students, 4,378 students fewer than 1982. They had a total enrollment of 29,300, up 9.1 percent from 1982.

In 1983, the province had 86 secondary technical schools with a total enrollment of 31,500, slightly more than in 1982. Regular middle schools in the province had a total enrollment of 948,100 while primary schools had a total enrollment of 3,606,700.

Workers' education and sparetime education developed greatly. Students of vocational universities numbered 690. There were 133 secondary vocational schools and 144 regular senior middle schools running vocational classes with a total enrollment of 28,874--up 12 percent from the previous year. The present ratio between the number of students of agricultural senior middle schools and that of regular senior middle schools has reached 1:6. Students of broadcast and TV universities numbered 14,204, up 93.3 percent from 1982 while those of sparetime universities numbered 8,515, up 26.1 percent.

In 1983, in the whole province there were 507 kindergartens, taking care of 476,300 children, 29,300 more than in 1982.

In 1983, Fujian had 3,171 movie projection teams of various kinds, 25 theaters, 107 performing troupes, 41 public libraries, 10 art halls for the masses, 75 cultural halls, 951 cultural centers, 15 museums, 3 broadcast stations with 36 transmitters and relay stations and 2 television stations. Throughout the province, 192 million newspapers were printed and 19.57 million copies of magazine and 118 million copies of books published.

8. Public Health, Sports

New progress was made in the public health field in 1983. By the end of 1983, there were 50,300 hospital beds, 3.4 percent over that at the end of 1982.

Public health technicians numbered 69,300, an increase of 5.5 percent. Of this total, 25,200 were medical doctors, up 4.7 percent; 15,600 were chief nurses, nurses and midwives, up 7.6 percent. Progress was also made in the patriotic public health campaign, preventive medicine and maternal and child care. In 1983, athletes of our province won 47 gold medals, 20 silvers and 18 athletes at major international competitions. Four of them won world championships and two won Asian championships. At national contests, they won 33 first places, 23 second places and 31 third places. Nine of them broke national records in 8 events on 13 occasions and 63 of them broke provincial records in 71 events on 100 occasions. Mass sports activities were widespread and the number of persons reaching "training standard" was four times that in 1982.

9. People's Life

Urban and rural people's living conditions further improved. According to a sample survey of peasant households' incomes and expenses, the peasants' average per-capita net income in 1983 was 301 yuan, showing an increase of 12.3 percent over the previous years. Of this net income, 267 yuan, or 86 percent, was earned in production work. According to a sample survey of workers' households, their average per-capita income in 1983 that could be used for living expenses was 525 yuan, an increase of 9.1 percent over 1982. Their actual income increased 7 percent if the cost of living increase indexes were taken into consideration.

In 1983, Fujian provided jobs for 124,000 job-waiting young people and other job-waiting persons as well as 1983 graduates of universities, secondary schools and technical schools assigned to Fujian by the state. By the end of 1983, the total number of workers in Fujian was 2.54 million, 42,000 more than in 1982, of whom 1,873,000 were with units under the ownership by the whole people, 43,000 more than in 1982; 667,000 were with units under collective ownership in cities and townships, 500 less than in 1982. By the end of 1983, some 76,000 persons in cities and townships ran individual businesses, 34,000 more than at the end of 1982.

In 1983, total wages for Fujian's workers were 2.04 billion yuan, an increase of 10.1 percent over 1982. Of this, the total wages for workers of units owned by the whole people was 1.57 billion yuan, up 11.8 percent. The average per-capita wage in cash of Fujian workers was 827 yuan, 8.1 percent more than in 1982.

Labor safety improved in 1983. Throughout the province, the number of workers killed or seriously injured in the line of duty fell 35 percent from 1982.

By the end of 1983, urban and rural people's savings deposits were 2.586 million yuan, 23.7 percent over the figures at the end of 1982.

The floor space of housing units built by units under ownership of the whole people and completed in 1983 was 263,500 square meters, 49,000 square meters more than in 1982. That by collective units in cities and townships was 98,700 square meters, 26,900 square meters more than in 1982. New houses

constructed by rural commune member and completed in 1983 totaled 8,678,000 square meters in floor space, 1,172,000 square meters less than in 1982. However, the quality of these new houses was much better. A sample survey shows that construction costs of new houses increased 8.9 percent compared with those in 1982.

In 1983, the number of widowed, aged, disabled, very young and other indigent and helpless persons taken care of by the rural collective economy fell by 28.6 percent to 33,700. Among them, 997 were accommodated in old folks' homes. In cities and townships, 29 public welfare and children's welfare homes were taking care of 1,450 persons.

10. Population

By the end of 1983, Fujian's population was 26,398,000, 357,800 more than in 1982.

Notes: (1) Figures in this communique do not include those of our province's Jinnmen County and the Mazu Islands of Lianjing County.

(2) The total industrial and agricultural output value was computed on the basis of the prices of that year while rates of increase are computed on the basis of constant prices.

CSO: 4006/541

AGGREGATE ECONOMIC DATA

NANFANG RIBAO CARRIES 1983 GUANGDONG STATISTICS

HK230700 Zuangzhou NANFANG RIBAO in Chinese 11 May 84 p 2

["Guangdong Provincial Statistics Bureau Communique on the Results of Guangdong Province's Implementation of Its Plan for National Economic and Social Development for 1983 (11 May 84)"]

[Text] In 1983, under the leadership of the CPC Central Committee, the State Council, and the Guangdong Provincial CPC Committee and the Provincial People's Government, the people in Guangdong Province continued to implement the principle of readjusting the national economy and to carry out special policies with flexible measures. Hence, new achievements were made in economic and social development and a sustained increase was scored in the national economy. The total social output value throughout the year was 65.2 billion yuan, an increase of 8.8 percent over the previous year and the national income amounted to 30.4 billion yuan, up by 6.3 percent over 1982. Total output value of industrial and agricultural production reached 45.507 billion yuan, a gain of 9.6 percent over the previous year. The total agricultural output value and the targets for such manufactured goods as electricity, steel, and machine-made paper and paperboard in 1983 had reached the 1985 targets stipulated in the Sixth Five-Year Plan 2 years ahead of schedule. With the development of production, revenues increased, the market was brisk, prices were basically stable, and the material and cultural life of the people continued to improve. While building material civilization, the province made new advances in the building of spiritual civilization. The main problems existing in the present development of the national economy were that the situation in which the economic results of such endeavors as production, construction, and circulation had not changed fundamentally and there was still a strain on energy, raw and semi-finished materials, and communications and transport.

I. Agriculture

In 1983, the province gradually consolidated and improved the output-related contract system with household management as the main form, further aroused the peasants' enthusiasm for production and encouraged the extensive use of improved variety and fine breeds and of agricultural science and technology. In agricultural production, serious natural disasters caused a drop in the yield of industrial crops but there were fairly big increases in the production of forestry, animal husbandry, fishery, and sideline occupations. Agricultural production still increased as a whole.

The output value of agricultural production throughout the province in 1983 totaled 14.93 billion yuan, topping the plan by 100.5 percent or an increase of 4.5 percent over the previous year. Of the total agricultural output value, the output value of agriculture (crop cultivation) was 7.84 billion yuan, a decrease of 1.9 percent compared with the previous year, that of forestry was 1.45 billion yuan, an increase of 7.2 percent over 1982; that of animal husbandry, 2.43 billion yuan, a gain of 14 percent; that of sideline occupation, 2.39 billion yuan, a rise of 14.9 percent; and that of fishery, 820 million yuan, up 13 percent.

In major farm produce, targets were reached or surpassed for the output of grain, four major kinds of fruit, and tea; output of sugarcane dropped due to natural disasters; and targets for the output of peanuts, flue-cured tobacco, and jute (ambari) hemp were not reached because of a reduction in the area of land sown with them. Total grain output was 38.99 billion jin, an increase of 1.1 percent over 1982, topping the historical highest level by 430 million jin. Total sugarcane output amounted to 12.5 million tons, fulfilling the plan by 80.6 percent or a decrease of 25.5 percent compared with the previous year.

The output of major agricultural products was as follows:

| | 1983 | % increase over 1982 |
|--|--------------------|-------------------------|
| Grain | 38.99 billion jin | 1.1 |
| Sugarcane | 12.5 million tons | -25.5 |
| Peanuts | 10.223 million dan | -21.5 |
| Jute (ambari) hemp | 974,000 dan | -35.8 |
| Flue-cured tobacco | 344,000 dan | -25.0 |
| Tea | 351,000 dan | 9.5 |
| Silkworm cocoons | 339,000 dan | -15.0 |
| Four major kinds of fruit (bananas, pineapples, litchis, tangerines) | 9.047 million dan | 12.7 |

There was a mass upsurge in afforestation throughout the province. A total of 7.152 million mu of land was afforested, up by 49 percent over the previous year, of which the area of land afforested through manual work was 5.383 million mu, 35 percent higher than in 1982. However, wanton felling of trees was still frequently seen in some places.

The output of animal husbandry products and aquatic products continued to increase. Total output of pork, beef, and mutton reached 922,000 tons, an increase of 10.8 percent over the previous year. The number of porkers slaughtered in 1983 was 12.479 million, topping the historical highest level by 1.374 million or a gain of 12.4 percent; that of pigs at year-end, 20.962 million, a fall of 3.5 percent compared with the previous year; and that of cows at year-end, 4.799 million, 4.2 percent more than in 1982. Total output of aquatic products amounted to 928,000 tons, fulfilling the plan by 130.7 percent or up by 11.9 percent over the previous year.

As for the output of major tropical crops, the output of rubber rose by 13.2 percent over the previous year and that of coffee, 4.2 percent but the output of coconuts dropped by 4.8 percent and output of pepper was down 24.4 percent compared with 1982.

The number of major farm machines increased considerably. The total power-driven farm equipment throughout the province amounted to 11.746 million horsepower, an increase of 7 percent over the previous year. The province had 20,000 large and medium-sized tractors and 19,100 small-sized tractors, a 20.7 percent increase over the previous year and 25,000 farm trucks, up by 19.9 percent. One mu of land was treated on the average with 22.2 kilograms of fertilizer (counted at 100 percent efficiency) 2.4 kilograms more than in 1982. Total electricity used in the rural areas came to 2.9 billion kilowatt-hours, 27.2 percent more than in 1982.

The provincial meteorological departments strengthened technical work and cooperation among themselves and made relatively timely and accurate forecasts about the losses caused by any imminent disaster, thus giving play to their positive role in serving agriculture and other fields of endeavor. Achievements were also made in the meteorological work in the service of the exploitation of Nanhai oil.

II. Industry

In 1983, industry continued to grow at a relatively high speed. Total industrial output value in the year was 30.577 billion yuan, topping the plan by 107 percent, or an increase of 12.3 percent over the previous year.

Targets were reached or surpassed for the output of 88 out of 109, or 80.7 percent of the major industrial products listed in the state plan for the year, including raw coal, electricity, steel, cement, sugar, sewing machines, television sets, and household washing machines. Targets for leather, bicycle tyre inner tubes, and 10 other items constituting 19.3 percent of the major products were not fulfilled. Compared with the previous year, the output of 76 products, or 69.7 percent, showed increases.

In 1983, in the light of the changed market conditions, light industry increased product variety and speeded up the production of marketable products. Total light industrial output value throughout the year reached 19.775 billion yuan, 12.4 percent more than the previous year. Targets of 40 out of 53 products, comprising 75.5 percent listed in the state plan were reached or surpassed. Compared with the previous year, the output of 34 products or 64.2 percent, showed increases. On the basis of big increases in successive years, there were still comparatively big increases in the output of a large batch of daily consumer goods, such as sewing machines, tape recorders, electric fans, household washing machines, and household refrigerators.

The output of major light industrial products was as follows:

| | 1983 | % increase over 1982 |
|-----------------------------------|---------------------|-------------------------|
| Cotton yarn | 60,200 tons | 2.0 |
| Cotton cloth | 247 million meters | -13.9 |
| Gunnysacks | 37.18 million | - 4.7 |
| Silk | 7,473 tons | 2.6 |
| Machine-made paper and paperboard | 369,500 tons | 9.7 |
| Sugar | 1.4214 million tons | 18.0 |
| Raw salt | 563,600 tons | [not given] |
| Chemical pharmaceuticals | 1,911 tons | [not given] |
| Detergents | 29,100 tons | 28.8 |
| Bicycles | 1,649,000 | - 5.5 |
| Sewing machines | 1,365,000 | 24.1 |
| Wristwatches | 1,216,400 | 7.6 |
| Radios | 842,900 | 45.2 |
| Tape recorders | 1,263,800 | 22.4 |
| Television sets | 242,500 | -17.4 |
| Household washing machines | 288,400 | 59.6 |
| Cameras | 69,200 | 48.8 |
| Household refrigerators | 46,400 | 116.8 |
| Electric fans | 3,438,000 | 31.4 |
| Bulbs | 69,630,000 | 13.0 |

In 1983, heavy industry continued to readjust its service orientation and product mix and thus accelerated the development of the energy and raw and semi-finished materials industries. Total heavy industrial output value in the year amounted to 10.802 billion yuan, an increase of 12.2 percent over the previous year. Targets for the output of 48 out of 56 heavy industrial products listed in the state plan were reached or surpassed. Compared with the previous year, the output of 42 products showed increases, of which the output of raw coal, processed oil, electricity, steel, finished steel products, and cement overfulfilled the plan by at least 10 percent.

The output of major heavy industrial products was as follows:

| | 1983 | % increase over 1982 |
|--|-------------------------|-------------------------|
| Raw coal | 8.79 million tons | 8.2 |
| Processed petroleum | 6.7769 million tons | 8.9 |
| Electricity | 15.312 billion kw-hours | 12.3 |
| of which: electricity generated by hydropower | 7.926 billion kw-hours | 25.6 |
| Steel | 509,900 tons | 18.6 |
| Pig iron | 431.900 tons | - 0.5 |
| Finished steel products | 571,600 tons | 18.2 |
| Iron ore (Delivery volume) | 5.1652 million tons | 8.2 |
| Unprocessed timber (under state unified distribution) | 1.461 million cubic m | 2.1 |

[Table continued]

| | 1983 | % increase over 1982 |
|----------------------------------|------------------------|-------------------------|
| Cement | 6.9663 million tons | 12.9 |
| Plate glass | 621,800 standard cases | - 4.9 |
| Sulphuric acid (100 percent) | 710,400 tons | 5.9 |
| Caustic soda | 74,800 tons | 5.1 |
| Farm chemical fertilizer (100 %) | 656,600 tons | 2.0 |
| Hand-held tractors | 31,100 | 34.0 |

There was a considerable improvement in the economic results of the province's industry in 1983. The productivity of industrial enterprises under the system of ownership by the whole people was 12,559 yuan per worker, an increase of 9.8 percent over 1982. Compared with the previous year, the quality of 82 out of 100 major products of key enterprises increased or remained unchanged and that of the remainder was on the decline. Thirty-five out of 55 indices for energy consumption of comparable products decreased compared to the previous year. It was preliminarily calculated that the profits created by the local state-run industrial enterprises within the budget and the taxes coming from the sales of their products totaled 3.04 billion yuan, 12.1 percent more than the previous year. The number of enterprises operated at a loss was 6.8 percent less than in 1982 and their total losses decreased by 21.3 percent. The turnover of circulating funds was shorter than the previous year. However, due to such reasons as price hikes in raw and semi-finished materials and mismanagement, the comparable product costs increased by 1.3 percent over the previous year, and although enterprises operating at a loss somewhat decreased in number, they still constituted 26.8 percent of the sum total.

III. Investment in Fixed Assets

In 1983, in the spirit of the State Council decision on putting the scope of capital construction under control and ensuring key development projects, the province sorted out projects under construction in an overall manner, and suspended or delayed the construction of 252 such projects. Total investment in fixed assets in units under the system of ownership by the whole people reached 5.95 billion yuan and that in units under the collective ownership system was 1.21 billion yuan. The investment in the construction of private houses in both urban and rural areas totaled 2.2 billion yuan.

In the investment in fixed assets in units under the system of ownership by the whole people, there was a decrease in the number of capital construction projects carried out by the local authorities but an increase in that of capital construction projects financed by the central authorities and those carried out in the Special Economic Zones and on Hainan Island. The construction of key development projects was augmented. Total investment in capital construction throughout the province was 3.84 billion yuan, 2.4 percent more than in 1982. This included an investment of 1.37 billion yuan in the projects of the central authorities, up by 13.2 percent and 2.47 billion yuan in the projects carried out by the local authorities, a decrease of 2.8 percent compared with 1982. This did not include the investment totaling 1.6 billion

yuan used in the capital construction of Shenzhen and Zhuhai cities, which was 17.1 percent less than in the previous year. Total investment in Shenzhen and Zhuhai cities amounted to 1.023 billion yuan, an increase transforming existing enterprises totaled 2.11 billion yuan, 12.2 percent more than the previous year. Of this the proportion of investment used in boosting and economizing energy increased from 2.9 percent in 1982 to 4.5 percent and that of investment used in increasing product variety and improving product quality rose from 2.9 percent in 1982 to 5.2 percent. However, the proportion of investment in these two aspects was still relatively low.

Of the investment in fixed assets in units under the system of ownership by the whole people, the investment used in productive construction was 3.3 billion yuan, comprising 55.5 percent and was the same as the figure of the previous year, and that used in non-productive construction increased by 13.7 percent to 2.66 billion yuan, accounting for 44.5 percent. As for the investment in the various sectors of the national economy, the investment in transport and post and telecommunications increased by 30.7 percent; that in education and science, 11.1 percent; that in urban public facilities, 26.2 percent and that in housing, 6.5 percent.

In 1983, the province introduced the method of public bidding in the construction of some capital construction projects and the pace of construction was thus quickened and better economic results attained. The tempo of construction of the province's key extension and construction projects was accelerated. They were the Shaoguan power station, the Shajiao power station, the earlier-stage project of the nuclear power station, the Sanshui-Maoming railway's Shanshui-Yaogy section, the double tracking of the Beijing-Guangzhou railway's Hengyang-Guangzhou section, the roads and bridges between Guangzhou and Shenzhen, between Guangzhou and Zhuhai, and between Guangzhou and Zhanjiang. Total investment in 63 large and medium-sized projects amounted to 980 million yuan, of which 21 were totally or partially put into production and 4 were undergoing a trial run or ready to be commissioned.

Units under the system of ownership by the whole people had additional fixed assets worth 4.43 billion yuan, with the availability rate of fixed assets increasing from 71 percent in 1982 to 74.4 percent. A total of 1,469 capital construction projects using an investment of at least 100,000 yuan each were completed and commissioned, with the rate of projects going into operation increasing from 41.4 percent in the previous year to 44.3 percent. The main added production capacity or beneficial effect consisted of facilities for producing 110,000 kilowatts of power-generating capacity (including small power stations), 670 kilometers of transmission lines of 11,000 volts and above, 1.38 million tons of cement, 12,000 tons of machine-processed sugar per day, 50,000 cotton yarn spindles and 210,000 tons of running water per day. The province's commercial network had a floor space of 259,000 square meters. The floor space of buildings for schools was 437,000 square meters and the additional number of student places was 135,000. The newly added annual handling capacity of harbors and ports totaled 5.27 million tons.

In 1983, the situation in which the returns from investment in capital construction were poor was not remarkably changed, the construction period of quite a few projects was rather long, and construction costs remained high. There was still a strain in the supply of such building materials as rolled steel.

Heartening successes were made in geological work. The year's drilling footage for geological prospecting was 260,000 meters and the number of new mineral-bearing areas which had a prospective development value was 28 in all. Targets were surpassed for the verified reserves of coal, copper, molybdenum, fluorite, and rare-earth. Petroleum prospect drilling in Hainan seemed to be highly successful. A number of oil and gas fields which were of a high enough commercial value to be exploited were preliminarily appraised. There were broad prospects for oil exploitation in the province.

IV Transport and Communications, Posts and Telecommunications

Targets for transport and communications were reached in a fairly satisfactory way throughout the year, although roads were severely damaged by heavy rains and floods during the first quarter of the year. There was a considerable increase in the carrying capacity of the north-south railway and water transport lines and in the handling capacity of main ports and a considerable improvement in the strain on the transportation of key goods and materials. The 1983 volume of freight carried by all means of transport of the transport and communications departments throughout the province totaled 136.59 billion ton-kilometers, topping the figure of the previous year by 10 percent. The volume of railway freight transport was 8.11 billion ton-kilometers, up by 10 percent; that of waterway cargo transport was 127.6 million ton-kilometers, an increase of 10.3 percent; that of road freight transport was 858 million ton-kilometers, a drop of 10.4 percent compared with the previous year (mainly due to an increase in the number of vehicles in society which carried goods independently and a decrease in the number of professional transport and communications means). The handling capacity of major ports along the coast of the province totaled 34.71 million tons, a gain of 4.4 percent.

The volume of passenger transport by all means of transport of the transport and communications departments in 1983 was 15.346 billion passenger-kilometers, up by 917 percent over 1982. The volume of railway passenger transport was 3.616 billion passenger-kilometers, an increase of 17.9 percent; that of waterway transport was 1.9 billion passenger-kilometers, a rise of 0.3 percent; and that of road passenger transport was 9.83 billion passenger-kilometers, a gain of 8.9 percent.

In 1983, posts and telecommunications transactions for the whole province amounted to 142 million yuan, surpassing the figure for 1982 by 10.9 percent. Included in this was a 2.7 percent increase in letters, a 19.2 percent increase in telegrams, and a 23.9 percent increase in long-distance calls.

There was a considerable attainment of better economic results by the transport and communications as well as postal and telecommunications departments and a general rise in the productivity of the railway, ocean shipping, shipping, and posts and telecommunications departments. The productivity per workers of the railway and ocean shipping departments increased by 13 percent and that of posts and telecommunications department rose by 16.9 percent. The average handling capacity of every goods-carrying machine per day increased by 1.9 percent over the previous year but there was a drop in the costs of railway and ocean shipping transportation. Nevertheless, the carrying capacity of the province was still far from adequate, its economic results were not satisfactory, and its postal and telecommunications facilities left much to be desired.

V. Domestic Commerce

In 1983, both commercial purchases and sales were active throughout the province and there was an ample supply of commodities in the market. The total volume of commodities purchased by the commercial departments under the system of ownership by the whole people was 19.88 billion yuan, topping the figure in 1982 by 11.1 percent. This included 13.84 billion yuan worth of manufactured goods, up by 13.8 percent and 5.81 billion yuan worth of farm produce and sideline products, an increase of 3.7 percent. Of the total amount of farm produce and sideline products purchased, the amount of commodities purchased at state listed prices decreased by 4.1 percent but that of commodities purchased at negotiated prices increased by 13 percent. Most of purchased amounts of major industrial and agricultural products showed increases compared with the previous year. The purchased amount of kerosene increased by 79.1 percent; that of television sets, 66.3 percent; that of edible sugar, 25.7 percent; that of soap, 23 percent; that of sewing machines, 14.2 percent; and that of live pigs, 12 percent.

The total retail sales of the province in 1983 amounted to 22.52 billion yuan, 10.9 percent more than in 1982, or a real increase of 10.1 percent after deducting the rise in retail prices. Of this, compared with the previous year, the amount of commodities sold at retail level by units under the system of ownership by the whole people rose 5.1 percent to 16.59 billion yuan; that by units under the collective ownership system rose 10 percent to 2.66 billion yuan; that by self-employed individuals in commerce rose 85.7 percent to 1.52 billion yuan; and that sold by the peasants directly to non-agricultural population rose 24 percent to 1.48 billion yuan.

Market supplies on the domestic market were relatively ample and the supply of fish, pork, poultry, eggs, and vegetables increased remarkably. The variety of manufactured goods in design, size, and color increased, too. With the exception of a tiny number of brand name products, all manufactured goods could be bought without restrictions. The supply of the means of production for rural use, such as building materials and chemical fertilizers also showed a big increase. Compared with the retail sales of major consumer goods in the previous year, the retail sale of edible oil increased by 17.5 percent, that of pork 15.7 percent; that of fresh eggs 37.4 percent; that of aquatic products 9.1 percent; that of edible sugar 6 percent; that of

table fans 26.2 percent; that of wristwatches 14.2 percent; that of tape recorders 128.3 percent; that of television sets 3.7 percent and that of chemical fiber cloth 28.6 percent. The total amount of commodities of commercial units under the system of ownership by the whole people in stock at year-end was 0.7 percent less than in 1982.

In 1983 commodity prices were basically stable but the general level of retail prices was 0.7 percent higher than in the previous year, the smallest increase ever seen in this respect since 1979. The total 1983 price index of the staff and workers' living expenses increased by 2.8 percent over 1982, the general level of the purchasing prices for farm produce and sideline products was the same as the 1982 figure, and the overall index of the prices in rural trade fairs was 2 percent lower than that in the previous year.

As for the changes in the prices of commodities, the price of food increased by 0.5 percent; that of clothing dropped by 22 percent; that of daily necessities went down by 1.1 percent; that of commodities for cultural and recreational use fell by 1.4 percent; that of medicines went up by 5.5 percent; that of fuels rose by 3.1 percent; and that of the means of production for rural use increased by 4.1 percent.

The economic results of some commodities were improved to some extent in 1983 and there was an increase in profits realized by state-run commercial departments. The profit rate of commodities trade increased by 4.4 percent but the rate of charges made out of commodity circulation dropped to a certain extent. However, the turnover of circulating funds became longer and the losses incurred in the grain and aquatic products departments increased.

VI. Foreign Economic Relations, Tourism, and Special Economic Zones (SEZ)

The total volume of goods purchased by the foreign trade departments (including industrial and agricultural trade companies) throughout the province in 1983 amounted to 4.89 billion yuan, overfulfilling the plan by 109.8 percent, or a decrease of 5.2 percent compared with 1982. The total value of goods exported from ports in Guangdong Province came to 2.4 billion yuan, 5.5 percent more than in the previous year.

In the past year the economic and technical cooperation of the province with other countries continued to expand. The province signed 11,363 contracts with foreign firms and businessmen in such forms as processing and assembling, small and medium-scale compensatory trade, joint venture, and operation using Chinese and foreign capital or solely using foreign capital. This was 38.6 percent more contracts than in the previous year. The foreign capital which was actually put to use amounted to \$400 million, up by 44.9 percent over 1982. The foreign exchange income from processing and assembling products for foreign firms and businessmen through banks (including compensatory trade) totaled 364 million yuan after being converted into renminbi, an increase of 25.7 percent over the previous year. There was a new tendency to import more large-scale items, productive items, and advanced technological items.

There was a new advance in the tourism of the province in 1983 and the number of tourists received by the province's tourist departments continued to grow. In 1983, the province received a total of 1.195 million foreigners, Overseas Chinese, and Hong Kong and Macao compatriots on tours, 13.3 percent more than in 1982. Among them, 345,000 were foreigners, up by 9.7 percent over 1982. Foreign exchange income from tourism, converted into renminbi, was 220 million yuan, the same as the figure in the previous year. Annual number of tourists entering the province totaled 8.558 million passenger-journeys [ren ci 0086 2945], 16.7 percent more than in 1982.

In 1982, the scope of construction of the Shenzhen, Zhuhai, and Shatou SEZs were expanded and the pace of their construction quickened so as to create a favorable investment environment for investors and developers.

Through construction efforts lasting for several years, the Shenzhen SEZ took shape to a considerable extent. Shekou has already become a new type industrial park. The infrastructure projects for the new city proper, commercial and financial centers, and electronic industrial areas of Luohu and Shangbu were basically completed, and the port for ships of the 10,000-ton class at Chiwan and the helidrome have already been put to practical use. In 1983 Shenzhen signed a total of 729 contracts with foreign firms and businessmen in such forms as joint ventures using Chinese and foreign capital, cooperative cooperations, and operations using exclusively foreign capital, an increase of more than 100 percent over 1982. Foreign capital which was actually put into use amounted to \$139 million, a gain of 58 percent over the previous year.

The construction of the infrastructure facilities for the Zhuhai SEZ was accelerated. There was an improvement in the supply of water and electricity. The construction of the Gongbei waterworks with a production capacity of 30,000 tons of running water per day and the 220,000-volt transformer substation has already been completed. A network of road communications lines began to take shape and the construction of the maintrunks for the eight roads, such as the Xingang highway covering 20 kilometers or more was completed. Passenger transport by helicopters is already open to air traffic.

The construction of the first-phase infrastructure facilities and universal factory buildings of the Shantou SEZ was basically completed.

VI. Science, Education, and Culture

In 1983, scientific research made encouraging progress. A total of 144 outstanding scientific and technological achievements were rewarded on all fronts throughout the province. This included 23 items in the agricultural sector, 101 items in the industrial sector, and 20 items in the pharmaceutical and health sectors. Among them, 43 items were major ones. There were 289,000 natural scientific and technical personnel in units under the system of ownership by the whole people throughout the province.

The year of 1983 showed a continued increase of investment in education undertakings. Overseas Chinese and the masses were active in donating funds and

raising funds to run schools, and conditions for running schools were considerably improved. The province had 36 institutions of higher learning, 3 more than in 1983—the Shantou, Shenzhen, and Hainan universities, with the student body amounting to 48,800, an increase of 4,800 over the previous year. The number of students enrolled in 1982 was 15,700, 3,100 more than the previous year. There were 63,000 students in spare-time institutions of higher education or institutions of higher education attended by students released from work for further study (such as television universities, correspondence universities, night universities, staff and workers universities, administrative cadres colleges, and educational colleges); 54,000 students in vocational schools at secondary educational level (including teachers schools at secondary educational level), a decrease of 806 compared with the previous year; 9,700 students in technical schools; 2.252 million students in regular middle schools, 7,800 less than in 1982; 58,000 students in agricultural or professional middle schools, an increase of 38,000 over the previous year; 354,000 students in adult schools at secondary educational level (including primary school teachers engaged in advanced vocational studies); 253,000 students in adult junior middle schools; 7.9 million pupils in primary schools, a drop of 217,000 compared with the previous year mainly because of a reduction in the number of children of school age; and 699,000 pupils in kindergartens, a gain of 52,000 over the previous year.

There was an improvement in the quality of education, a rise in the educational level of the ranks of teachers, and an increasingly favorable turn in school spirit and school discipline.

Achievements were made in 1983 by such cultural undertakings as literature, arts, films, broadcasting, television, and press in building socialist spiritual civilization. Ten feature films were produced by the Zhujiang film studio and 173 new films (long ones) were distributed in the year. There were 6,628 film-projecting units of various types, 186 performing art troupes, 112 cultural halls, 108 public libraries, and 61 museums or memorial halls throughout the province. The province has 6 broadcasting stations, with 12 transmitting and relay stations, 1 television center and 16 transmitting and relay stations, each equipped with transmitters of 1,000 watts or more. The Guangdong television station produced 14 television plays and short pieces for television with 41 series in all and relayed and introduced 551 television plays (series). The annual output of provincial newspapers was 1.136 billion copies, 146 million more than in 1982. That of magazines of various types was 67.21 million copies and that of books was 292 million copies.

VIII. Health Work and Physical Education

In 1983, public health undertakings continued to develop in the course of readjustment of the national economy. The total number of hospital beds in the whole province reached 109,000, 2.1 percent more than the figure at the end of 1982. There were 192,000 medical workers, an increase of [number indistinct] percent over the end of the previous year. They included 71,000 doctors and 37,000 nurses.

In 1983, physical culture vigorously developed. In international sports meets, 11 provincial sportsmen won 4 world championships, 2 provincial sportsmen broke 2 world records, and in national sports meets, 11 provincial sportsmen chalked up 9 national records. Provincial sportsmen were awarded 30 gold medals, 21 silver medals, and 12 bronze medals in world and international sports meets; they were awarded 80 gold medals, 58 silver medals, and 45.5 bronze medals in national sports meets. Provincial sportsmen won 36 gold medals in the Fifth National Games, thus ranking first in the country. A total of 1,171 sports meets were held throughout the province and 369,000 people participated in them. An additional 2.467 million people reached the standards set by the national physical training program.

IV. People's Livelihood

There was a continued improvement in the people's livelihood in 1983. According to a sample survey of the household revenue and expenditure of 1,569 peasant families in 32 counties of the province, the annual net income of every peasant averaged 396 yuan, 14 yuan more than in 1982 or up by 3.7 percent. According to a sample survey of the household revenue and expenditure of 450 worker families in 6 cities of the province, the annual net income of every worker was on the average 680 yuan, 54 yuan more than in 1982, a gain of 8.7 percent or a real increase of 5.6 percent in his net income after deducting the rise in the cost of living of staff and workers.

The province provided 431,000 people with jobs. They included youths awaiting employment and other people in cities and towns, and the 1983 university, college, and secondary school graduates who were assigned work under the system of the unified state plan. At the end of the year, the total number of staff and workers throughout the province came to 7.074 million, 51,000 more than in 1982. At the end of 1983, 206,000 people operated individual businesses in cities and towns, 71,000 more than in 1982, or an increase of 52.4 percent.

The total provincial 1983 wage bill of staff and workers reached 6.84 billion yuan, an increase of 450 million yuan over 1982 or a rise of 7 percent. Annual cash wages for staff and workers all over the province (including bonuses, allowances, and subsidies) averaged 992 yuan, 54 yuan more than in 1982, a gain of 5.8 percent or a real increase of 2.9 percent in average real income per capita after deducting the rise in the cost of living of the staff and workers.

At the end of 1983, the surplus amount of savings deposits of the urban and rural population throughout the province totaled 7.99 billion yuan, an increase of 31.6 percent over that at the end of 1982.

In 1983, some additional 7.426 million square meters of housing were built by units under the system of ownership by the whole people, an increase of 0.4 percent over 1982 and the floor space of houses built by units under the collective ownership system in cities and towns totaled 1.101 million square meters, a drop of 28.8 percent compared with the previous year. In the whole province there were 483,000 points of the commercial, catering, and service trade network, 178,000 more than in 1982.

X. Population

At the end of 1983, the province had a population of 60.748 million, 880,000 more than that at the end of 1982. Over the past year, fairly satisfactory achievements were made in family planning work. According to a sample survey, the 1983 population growth rate was 21.15 per thousand, mortality was 6.32 per thousand, and the natural growth rate was 14.83 per thousand.

Note: Total social output value refers to the sum of the total value of agricultural, industrial, building, communications and transport, and commercial production (including the materials supply and marketing industry and catering trade). The national income means the sum of the net output value of the above-mentioned five material-producing departments. The total social output value and national income involved in this report were listed according to the initial calculation of the prices of that year, the growth rate was calculated in terms of comparable items, and the total output value of industrial and agricultural production was reckoned according to the 1980 invariable prices.

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AGGREGATE ECONOMIC DATA

SHAANXI RIBAO CARRIES 1983 PROVINCIAL STATISTICS

HK210641 Xian SHAANXI RIBAO in Chinese 1 May 84 pp 2, 4

["Communique Issued by Shaanxi Provincial Statistical Bureau on the Results of Implementing the 1983 Plan for Provincial Economic and Social Development (30 April 1984)"]

[Text] In 1983, thanks to the profound concern of the CPC Central Committee and the State Council, people in our province, under the leadership of the provincial CPC committee and provincial people's government, continued to implement the principle of readjusting, restructuring, consolidating and improving, and worked hard in order to create a situation in all fields of socialist modernization. Through concerted efforts exerted over the past year, the province made new achievements in provincial economy and social development. The total output value of the society for the whole year reached 23.572 billion yuan, an increase of 9.2 percent over 1982. Total output value of industry and agriculture reached 19.272 billion yuan, registering a 9.2 percent increase. According to initial statistics, provincial income was 10.116 billion yuan, registering a 6.2 percent increase. Among the 61 principal varieties of industrial and agricultural products covered by the Sixth Five-Year Plan, the output of 25 kinds of goods including grain, oil crops, sugar beets, tea, crude oil, pig iron, steel, rolled steel, coke, cement, chemical fertilizer, plastics, walking tractors, internal-combustion engines, goods trains, machine-made paper, washing machines, cigarettes, and others met the 1985 production target 2 years ahead of schedule. On the basis of developing production, we brought about a brisk market, continued to improve people's livelihood, and made new progress in the building of spiritual civilization. The main problems arising in the development of provincial economy are: In the fields of production, construction, and circulation, although we have improved economic results, some production targets have not yet caught up with the average level of the whole nation. There is an insufficient supply of some raw and processed materials, and a straining on railway transport. The prices of some commodities, the retail prices of vegetables, fruit, aquatic products, beef, and mutton in particular, have increased by a bigger margin.

I. Agriculture

In 1983, due to the fact that we fully implemented the contract system according to output, which is mainly based on household management, we further aroused the enthusiasm of the broad masses of peasants in getting rich through hard work. In the same year, we suffered from severe natural calamities. Ankang prefecture was hit by severe floods rarely seen in history. There was an unbroken spell of wet weather in the most parts of the central Shaanxi plain during summer and autumn and some counties in Yulin Prefecture suffered from drought in autumn. However, thanks to our efforts to carry out a mass struggle to combat natural calamities, we wrested a good harvest in a year of severe natural calamity. Total agricultural output value for the whole year reached a record high of 6.559 billion yuan, an increase of 0.6 percent over 1982. While developing grain production, we also actively promoted diversified economy, developed commodity production, and extensively popularized good varieties, and some agricultural science and technology. The output value of forestry, sideline occupation, and fishery was higher than 1982. In particular, the development of sideline occupation was fairly fast, and an increase of 24.6 percent was reported. The output value of agriculture (crop cultivation) and animal husbandry dropped respectively by 3.9 percent and 2.5 percent.

The output of some main products such as grain, oil crops, sugar beets, silkworm cocoons, tea, and aquatic products, as well as the number of sheep removed from inventories overfulfilled production targets. Grain overfulfilled production targets by 9 percent, oil crops by 22.1 percent, and tea by 12.5 percent. The output of grain, sugar beets, silkworm cocoons, tea, aquatic products, eggs, cow's milk, sheep's milk and others reached a record high level. However, due to the influence of heavy rain and waterlogging, the output of cotton dropped considerably. In the meantime, because of the reduction of the acreage under flue-cure tobaccos output was less than in 1982.

The following is the output of main agricultural products:

| | 1983 | % increase over 1982 |
|-------------|-------------------|-------------------------|
| Grain | 19.3 billion jin | 4.3 |
| Wheat | 8.89 billion jin | 5.6 |
| Paddy | 1.687 billion jin | 6.0 |
| Corn | 5.764 billion jin | 2.1 |
| Millet | 458. million jin | 8.5 |
| Soybean | 337. million jin | 25.3 |
| Cotton | 792,000 dan | -68.4 |
| Oil crops | 3.298 million dan | 3.5 |
| Rapeseeds | 2.456 million dan | 3.4 |
| Peanut | 401,000 dan | 9.2 |
| Sugar beets | 1.234 million dan | 29.2 |

| | 1983 | % increase over 1982 |
|---------------------|-------------|-------------------------|
| Flue-cured tobaccos | 427,000 dan | -25.3 |
| Silkworm cocoon | 96,000 dan | 7.9 |
| Tea | 45,000 dan | 18.4 |

The all-people campaign of planting trees was further carried out. Due to further relaxing policy and implementing the responsibility system in production, forestry production further developed. Afforestation area for the whole year was 6.841 million mu, an increase of 18.4 percent over 1982. This is a record high. The survival rate of new seedlings also increased. The acreage under shelter-forest was 2.749 million mu, an increase of 14.1 percent over 1982. The acreage under fire wood forest was 2.898 million mu, an increase of 20.7 percent over 1982. The acreage under economic forest was 937,000 mu, an increase of 8.2 percent over 1982. Afforestation area by individual peasants was 3.295 million mu, an increase of 140 percent over 1982. The output of the main forest products, such as edible fungus, gall-nuts, Chinese tallow trees, palm slices and so forth, was higher than 1982. Due to the adverse influence of wet weather, the output of raw lacquer, tung oilseeds, walnuts and chestnuts dropped.

At the end of the year, the number of live pigs in inventories increased. The rate of fattened pigs removed from inventory increased from 55.6 percent in 1982 to 57.8 percent in 1983. The rate of sheep removed from inventory increased from 17.9 percent in 1982 to 26 percent in 1983. The number of milk cows rapidly increased, and the number of milk goats continued to grow. More fresh milk was produced than in 1982. The number of domestic fowls also considerably increased. However, the number of farm animals and sheep was less than 1982.

The following are the output of livestock products and the number of livestock:

| | 1983 | % increase over 1982 |
|--|-------------------|-------------------------|
| Total output of pork, beef and mutton | 478 million jin | 1.7 |
| Output of pork | 443 million jin | - 0.3 |
| Output of beef | 6.28 million jin | 34.7 |
| Output of mutton | 28.24 million jin | 39.1 |
| Output of fresh milk | 224 million jin | 10.4 |
| Output of goat milk | 190 million jin | 7.3 |
| Output of sheep wool | 6.955 million jin | - 0.6 |
| Output of fattening pigs removed from inventories | 3.7 million | - 0.1 |
| Number of pigs in inventories at year-end | 6.638 million | 3.8 |
| Number of farm animals at year-end | 2.438 million | - 0.3 |
| Number of milk cows | 16,000 | 29.8 |
| Number sheep at year-end | 5.201 million | -13.4 |
| Number of milch goats | 737,000 | 4.8 |

Output of aquatic products for the whole year was 3,306 tons, an increase of 13.8 percent over 1982.

State farms under the provincial department of state farms and land reclamation developed production and enhanced economic results because of adopting various methods based on the contract system. Compared with 1982, their total agricultural output value increased by 13.8 percent, grain by 15.1 percent, oil crops by 49 percent, milk by 16.9 percent, and business profits by 19.9 percent. In the past, these state farms relied on provincial financial subsidies. Now the situation has greatly changed.

The number of agricultural machines and amount of chemical fertilizer used also increased considerably. At the end of 1983, the total capacity of agricultural machinery throughout the province was 7.298 million horsepower, an increase of 140,000 horsepower over 1982. The number of big and medium-sized tractors for agricultural use was 22,600, an increase of 400 over 1982. The number of small-sized and walking tractors was 113,000, an increase of 23,000 over 1982. The number of trucks for agricultural use was 7,742, an increase of 1,716 over 1982. The increase of the number of agricultural machines played an important role in farming and the development of diversified economy. The amount of agricultural chemical fertilizer used was 359,000 tons (assuming that the efficiency of the chemical fertilizer was 100 percent), an increase of 14.7 percent over 1982. Due to the influence of wet weather, power supply for agriculture was 1.12 billion kilowatt-hours, 160 million kilowatt-hours less than 1982. The acreage under electric irrigation was 10.48 million mu, 188,000 mu less than 1982.

There were 1,450 large, medium and small reservoirs throughout the province, with a capacity of 4.429 billion cubic meters. There were 130,800 wells with electric conveyance system. The effective irrigation area increased by 222,000 mu. Area of soil erosion brought under control increased by 4,441 square kilometers. There were 1,411 small electric power stations, with installed capacity of 137,800 kilowatts. Among them, 104 small electric power stations were newly built, with installed capacity of 2,825 kilowatts.

In 1983, the weather situation in our province was complicated. Meteorological observatory departments provided prompt and accurate weather forecast. They also provided various localities with meteorological scientific and technical services, as well as services for specialized meteorological items. This played an active role in helping agricultural and other departments make use of favorable weather conditions and avoid calamities.

II. Industry

In 1983, we continued to implement the principle of readjustment in industry. We took the enhancement of economic results as a key link, firmly grasped enterprise readjustment, and improved the quality of enterprises. As a result, we developed industrial production fairly rapidly, and markedly enhanced economic results. Total industrial output value for the whole year was 12.713 billion yuan, an increase of 14.1 percent over 1982. The growth rate of industry under ownership by the whole people was 14.4 percent, the growth rate of industry under collective ownership system was 12.1 percent,

the growth rate of industry jointly run by enterprises under ownership by the whole people and under collective ownership system was 23.6 percent. The growth rate of industry run by individual laborers in urban and rural areas was 28.4 percent.

Of the 100 main industrial products, 86 of them fulfilled and overfulfilled production quotas, and 86 of them failed to fulfill their quotas. The output of 80 kinds of products registered an increase over that of 1982.

Although competition on the market of light industrial products was keen in our province, due to our efforts to make more market investigations, readjust product mix, produce more new and marketable products, and improve quality, we kept up steady increase in production. The output value of light industry for the whole year was 5.965 billion yuan, an increase of 6.8 percent over 1982. The output value of textile industry increased by 3.9 percent, food by 11.1 percent, and tailoring industry by 3.9 percent. However, the output value of durable consumer goods for daily use dropped by 1.3 percent.

Of the 46 kinds of main light industrial products, 38 had fulfilled and overfulfilled their production quotas, including television sets, recorders, cameras, knitting wool, cigarettes, washing machines, gourmet powder, matches, soap, leather shoes and others. The output of 34 kinds of products registered an increase over 1982. However, due to overstocking and slow sales of cotton yarns, cotton prints, watches, bicycles and others, their production dropped by varying degrees.

The following is the output of the main light industrial products:

| | 1983 | % increased over 1982 |
|--|----------------------|--------------------------|
| Cotton yarn | 164,100 tons | - 0.7 |
| Cloth | 743 million meters | 4.5 |
| Chemical fibres | 1,531 tons | -37.4 |
| Knitting wool | 1,986 tons | 19.1 |
| Wool fabrics | 2.498 million meters | -11.4 |
| Silk | 427 tons | 1.4 |
| Silk fabrics | 7.63 million meters | 17.0 |
| Prints | 331 million meters | -16.8 |
| Textile (converting into consumption amount of yarn) | 14,900 tons | -10.8 |
| Machine-made paper and paperboards | 114,500 tons | 15.4 |
| Sugar | 4,745 tons | 45.9 |
| Raw salt | 44,400 tons | - 6.1 |
| Chemicals | 2,593 tons | 9.7 |
| Synthetic detergents | 14,000 tons | 15.7 |
| Bicycles | 338,700 | -38.0 |
| Sewing machines | 647,700 | 7.6 |
| Watches | 1.2073 million | - 3.0 |
| TV sets | 159,000 | 61.9 |
| Radio sets | 41,000 | -62.1 |

| | 1983 | % increase over 1982 |
|------------------|------------------|-------------------------|
| Recorders | 29,600 | 218.3 |
| Washing machines | 120,700 | 57.2 |
| Bulbs | 46.05 million | 19.9 |
| Plastic products | 26,900 | 29.3 |
| Dairy products | 7,682 tons | 1.1 |
| Milk powder | 7,487 tons | 3.6 |
| Matches | 611,500 packages | 23.3 |
| Cigarettes | 487,100 boxes | 23.4 |
| Liquor | 61,700 tons | 32.2 |
| Beer | 24,100 tons | 65.1 |

Due to the readjustment of heavy industry in recent years, service trade has been expanded, and the output of products serving key projects, agriculture, light industry and exports has rapidly increased. Output value of heavy industry for the whole year was 6.748 billion, an increase of 21.7 percent over 1982. Among various heavy industrial departments, metallurgical industry increased by 30.4 percent, power industry by 7.5 percent, coal and coking industry by 7.8 percent, petroleum and chemical industry by 18.1 percent, engineering industry by 23.6 percent, agricultural machinery industry by 25.7 percent, and electronics industry by 54.3 percent.

With regard to the output of the 54 kinds of main heavy industrial products, 48 fulfilled and overfulfilled their production targets, including raw coal, crude oil, steel, iron ore, rolled steel, pig iron, ferralloy, coke, 10 kinds of nonferrous metal, gold, caustic soda, soda ash, synthetic ammonia, chemical fertilizer, cement, walking tractors and others. About 46 kinds of products registered an increase of output over 1982.

| | 1983 | % increase over 1982 |
|----------------------------|------------------------|-------------------------|
| Raw coal | 22.29 million tons | 10.5 |
| Crude oil | 147,000 tons | 28.6 |
| Generated energy | 8.006 billion kw-hours | 7.7 |
| Hydraulic generated energy | 1.143 billion kw-hours | 36.7 |
| Pig iron | 140,800 tons | 58.9 |
| Steel | 286,700 tons | 43.7 |
| Rolled steel | 204,300 tons | 58.9 |
| Coke | 371,800 tons | 0.2 |
| Wood | 444,700 cubic meters | 0.6 |
| Cement | 2.7952 million tons | 8.4 |
| Plate glass | 257,100 standard cases | 11.4 |
| Sulphuric acid | 122,600 tons | - 2.5 |
| Caustic soda | 34,500 tons | 1.2 |
| Soda ash | 3,500 kilos | 38.8 |

[Table continued]

| | 1983 | % increase over 1982 |
|---|--------------------------------------|-------------------------|
| Chemical fertilizer (assuming that efficiency was 100 percent) | 263,800 tons | 17.6 |
| Nitrogenous fertilizer | 227,800 tons | 22.1 |
| Phosphate fertilizer | 35,800 tons | - 5.3 |
| Plastics | 7,649 tons | 17.7 |
| Calcium carbide | 52,100 tons | 31.4 |
| Tires | 110,300 | 44.8 |
| Machine tools | 1,753 | 53.4 |
| Cars | 381 | 67.8 |
| Walking tractors | 21,900 | 63.4 |
| Internal-combustion engines | 300,600 horsepower | 33.3 |
| Treight trains | 1,792 | 92.5 |
| Boilers for industrial use | 1,504 tons (evaporation capacity) | 13.8 |
| Alternating current motors | 1.1137 million kw | 12.8 |
| Color kinescopes | 580,400 | 325.5 |

With a marked improvement of the economic results of industry, the speed and efficiency of production also grew. The output value of industrial enterprises of the whole province, which are independent accounting units, was 13.7 percent higher than 1982. Their incomes resulting from the sale of products increased by 12.7 percent, and profits increased by 31.1 percent. Output value of local industrial enterprises under ownership by the whole people increased by 11.2 percent over 1982. Their incomes resulting from the sale of products increased by 9.8 percent, and their profits increased by 20.5 percent. With regard to those enterprises which incurred losses in production, their percentage dropped from 28.4 in 1982 to 14.3 in 1983. The amount of their losses in 1983 was a drop of 47.2 percent compared with 1982. Due to the rise of prices of raw and processed materials, total production costs of comparable products only dropped by 0.44 percent compared with 1982.

The quality of most products was steadily improved. The number of new products markedly increased, raw material consumption dropped, and labor productivity was enhanced. Among 90 main products, the quality of 70 kinds products was enhanced, and their stable enhancement rate was 77.8 percent. In 1983, 378 kinds of new products were chosen as high-quality products of the province, and 287 kinds of products were chosen as high-quality products of the state. In addition, 16 kinds of products were awarded with gold medal and silver medals. Among 70 kinds of main products, 48 kinds consumed less raw material. Their stable decreased rate of consumption was 68.6 percent. The consumption of coal per 10,000 yuan of total industrial output value dropped by 7 percent. Labor efficiency of enterprises under ownership by the whole people was 11.3 percent higher than 1982, which was a record high. The turnover of fixed circulation funds was 8 days shorter than in 1982.

In industrial production, the supplies of raw and processed materials such as rolled steel, wood, soda ash, caustic soda and others were insufficient.

They could not meet the demand of industrial production. In some enterprises, there were tendencies of neglecting economic results and unilaterally seeking output value. Some products could not adapt themselves to the changes of social demands.

III. Investment in Form of Fixed Assets

In 1983, fixed asset investment made by the units under the ownership of the whole people totaled 2.499 billion yuan, that by the units under collective ownership in town and country totaled 110 million yuan, and the investment made by peasants and residents in towns and cities in building houses totaled 474 million yuan.

Control over the scale of investment in capital construction has been tightened. In this respect, the investment made by the units under the ownership of the whole people totaled 1.652 billion yuan in the whole year, a decrease of 15 million yuan or 0.9 percent as compared with the figure recorded last year. Out of the 1.652 billion yuan investment, an amount of 877 million yuan was covered by the state budget, 79 million yuan or 9.9 percent more than the figure of the previous year; an amount of 138 million yuan was covered by loans raised at home, with a percentage decrease of 22 percent as compared with the previous year; and an amount of 470 million yuan was covered by self-raised funds or other investment, with a percentage decrease of 10.5 percent as compared with the previous year. Local investment projects which could be considered as part of the state plan involved an amount of 454 million yuan, in other words, the plan was fulfilled up to 91 percent, and the scale was kept within the limit of the state plan.

Investment was reoriented, the construction of key projects was stepped up, and the investment structure underwent changes. The investment in the energy industry amounted to 348 million yuan, an increase by 59 million yuan over the previous year, and its proportion in the total investment rose from 17.4 percent in the previous year to 21.1 percent last year. The investment in transportation, postal and telecommunications services amounted to 203 million yuan, an increase by 30 million yuan over the previous year, and its proportion in the whole investment volume rose from 10.4 percent to 12.3 percent. The investment in the building material industry, the chemical industry, and other trades of raw material production amounted to 111 million yuan, an increase by 18 million yuan over the previous year, and its proportion in the whole investment volume rose from 5.6 to 6.7 percent. The investment in education amounted to 148 million yuan, an increase by 43 million yuan, and its proportion in the whole investment volume rose from 6.3 to 9 percent. Meanwhile, the ratio of the investment in the textile industry, the paper-making industry, commerce, foreign trade, material supply system, and other aspects to the whole investment volume was reduced. According to a classification by the use of the projects, the investment in the projects for productive purposes totaled 971 million yuan, its proportion in the whole investment volume rose from 56.6 percent in the previous year to 58.8 percent last year; and the investment in such non-productive projects as housing, medical service, urban public facilities, and so on totaled 681 million yuan,

its proportion in the whole investment volume dropped from 43.4 percent in the previous year to 41.2 percent last year.

A total of 568 million yuan was spent in 1983 to run 56 key projects planned by the province, that meant 95.8 percent of the provincial investment quota was fulfilled. By the end of last year, 16 projects were completed or nearly completed and were put into operation.

Last year, 1,113 capital construction projects run by units under the ownership of the whole people were completed and put into operation. In other words, 45.7 percent of all started projects were completed and put into operation. The large- and medium-sized projects which were completed or partly completed last year included the Shaanxi astronomical observatory, the mining system of the Jinduicheng molybdenum mining company, the shaft project of the Pubai mining zone, the Shanlidong coal washing and preparation plant of the Jiaoping mining zone in Tongchuan, the No 2 generation unit of the second phase project of the Qinling electric power plant, the Shaanxi section of the Qinxi-Xinhe power transmission project, the Donglei project of pumping water from Huanghe for irrigation, and the Meiqian section of the Meiqi railway [meiqi xian mei qian duan 2734 0003 4848 2734 0467 3008].

The value of the newly increased capital construction fixed assets owned by the units under the ownership of the whole people totaled 1.472 billion yuan. And the percentage of the fixed assets available to users accounted for 89.1 percent of all fixed asset projects which had been started.

The technological transformation of the existing enterprises was further stepped up. The amount of value which the units under the ownership of the whole people invested in renewal of equipment, technological transformation, and implementation of other measures totaled 847 million yuan, up by 146 million yuan or 29.8 percent over the previous year. Of the funds spent in renewal of equipment and technological transformation, 104 million yuan was used to run projects to increase the variety of products and improve product quality, and this amount of funds accounted for 13.3 percent of the total investment volume, in contrast to 8.2 percent for the previous year. Investment in production of daily consumer goods was 107 million yuan, its percentage of the total investment volume rose from 13.1 percent in the previous year to 13.8 percent last year. In 1983, a total of 954 projects related to renewal of equipment and technological transformation run by units under the ownership of the whole people were completed and put into operation, which accounted for 42.6 percent of all the projects of the same kind which had been started. The newly increased fixed assets amounted to 600 million yuan, the percentage of fixed assets available to users accounted for 70.9 percent of all the projects of the same kind which had been started.

The newly increased major production capacity resulting from the projects of capital construction, renewal of equipment, and technological transformation run by units under the ownership of the whole people are as follows: 20,000 tons of steel; 95 kilograms of monocrystalline silicon; 100,000 tons of coking coal; 635,000 tons of raw coal; 204,100 kilowatts of electric generator installed capacity; 475.5 kilometers of high tension transmission line to carry electricity at 110,000 volts or above; 289,000 kilovolt-amperes

of transformer capacity; 5,000 tons of sulphuric acid; 3,380 tons of chemical fertilizer (assuming that the chemical composition of fertilizer is 100 percent useful); 865 tons of chemicals (raw chemicals); 104,000 tons of cement; 375,000 standardized packing cases of plate glass; 4,000 cubic meters of fibreboard; 300,000 pieces of processed hide; 46,000 sets of sewing machines; 11,000 tons of beer; 100,000 television sets; 4.1 million electric bulbs; 5,000 tons of spirits; 70 kilometers of railway line; 73.5 kilometers of long distance telephone line; 7,500 telephones installed in urban areas; a commercial oil storage space of 20,000 cubic meters; a cold storage capacity of 2,500 tons; a grain storage capacity of 21.75 million kilograms; 115,500 places at various schools; 1,397 hospital beds; a tap water supply capacity of 28,600 tons per day; town gas supply capacity of 17.33 million cubic meters; and a building floor area of 5.27 million square meters.

The capital construction cycle has been shortened and economic results have been improved. Nevertheless we have yet to make more efforts to put an end to the situation of poor investment results.

Progress has been made in geological work and mining. The prospecting of energy, nonferrous metal, rare metal, and nonmetal resources and hydrogeological and engineering geological surveys, as well as zoning, regional geological surveys, and scientific research work, were strengthened in 1983. Last year's drilling footage was 211,000 meters, an increase by 11.6 percent over the previous year; and the gallery tunnelling footage was 8,800 meters, an increase by 14.1 percent over the previous year. Prospecting work has proved that seven sites are available for large- or medium-scale mining. Seven other new sites were found to have a high potential to become major mining zones. And there were new findings in 28 mining sites. The newly verified reserves of mineral resources other than lead, such as gold, mercury, coal, zinc, gypsum, and barite, have exceeded the set quotas. The reconnaissance survey of coal reserves in northern Shaanxi has been speeded up because more manpower and material resources were allocated, and initial results have been achieved. A long-term survey of groundwater reserves was carried out throughout the province, and comprehensive hydrogeological surveys were carried out in Xian, Baoji, Tongchuan, and other major cities. These surveys provided primary information and data for economic construction planning and hydrogeological and geological research of the province. Relatively great progress has been made in the fields of basic geology, mineral resources study, geophysics, geochemistry, remote sensing geology, prospecting, and geological technology and its application. Twenty five research items were completed.

IV. Communications and Postal and Telecommunications Service

Despite the shortage of transportation facilities, both passenger transport and freight turnovers were increased in 1983 mainly by tapping latent capacity and improving management of the existing transport facilities. Last year, the freight turnover by various means of transportation totaled 21.619 billion ton-kilometers, an increase of 15.3 percent over the previous year. Of this freight turnover, railway freight amounted to 19.976 billion ton-kilometers, an increase of 15.4 percent over the previous year; highway freight amounted to 1,614 million ton-kilometers, an increase of 14.2 percent

over the previous year; waterway freight amounted to 22.76 million ton-kilometers, an increase of 17.2 percent over the previous year; while air freight amounted to 6.02 million ton-kilometers, down by 6.2 percent as compared with the previous years figure.

In 1983, the provinces passenger transport turnover totaled 10.09 billion man-kilometers, an increase of 12.5 percent. Of this transport volume, railway transport turnover amounted to 7.428 billion man-kilometers, an increase of 12.4 percent; highway transport turnover amounted to 2.488 billion man-kilometers, an increase of 18 percent over the previous year; waterway transport turnover amounted to 1.24 million man-kilometers, an increase of 77.1 percent; while air transport turnover amounted to 172 million man-kilometers, down by 28.9 percent as compared with the previous year's figure.

Postal and telecommunications service has been developed at a relatively high speed. Last year's postal and telecommunications service volume totaled 63.85 million yuan in terms of currency value, an increase of 7.2 percent over the previous year. The growth percentages for different categories of service are as follows: 2.5 percent for postal matters, 6.9 percent for urban telephone subscribers, 9.9 percent for long distance telephone service, 10.8 percent for telegraphic service, and 18.1 percent for distribution of newspapers and journals.

Both the communications and postal and telecommunications sectors have improved their economic results. The labor productivity of railway transport enterprises was up by 13.4 percent over the previous year; the coal consumption per ten thousand kilometer-ton for steam locomotives was down by 4.3 percent while the electricity consumption for electric locomotives was down by 0.9 percent. And the profit made by railway transport enterprises in 1983 increased by 62.6 percent over the previous year. The revenue for local communications and transportation units also increased by 7 percent over the previous year, with the profits growing by 31.7 percent. Meanwhile, the balance between revenue and expenditure of postal and telecommunications units increased by 56.9 percent over the previous year.

Railway transportation has always been the province's weak link. And there has been a shortage of railway freight and passenger transport facilities over years. Although the railway department has taken many measures to cope with the situation, the transport volume still cannot meet the demand arising from economic development.

V. Commerce

In 1983, the volume of net purchase of commodities by state-owned commercial enterprises and supply and marketing cooperatives in the province, totaling 4.878 billion yuan, suffered a 0.1 percent decrease due to decrease in cotton output and purchasing volume. Of this purchase volume, 3.401 billion yuan was reserved for the purchase of industrial products, which meant a 4.3 percent growth; while 1.444 billion yuan was used for the purchase of agricultural and sideline products, which meant a 9.2 percent decrease. On a production-year basis, the volume of grain purchase (including grains

purchased at negotiated price) totaled 3.64 billion jin, an increase of 14.2 percent over the previous year. For the first time since 1976, the province succeeded in maintaining a balance of purchase and sale of grains and reaching self-sufficiency. The volume of edible oil purchase totaled 55.08 million jin, a decrease of 18.4 percent as compared with the previous year. On a calendar-year basis, the purchase volume of cotton, totaling 666,000 dan, decreased by 70.8 percent due to natural disaster; while the purchase volume of pork totaled 200,000 tons, an increase of 3.7 percent. The year's net sale volume of commodities totaled 6.759 billion yuan, an increase of 8.2 percent. The year-end total commodity stock decreased by 3.3 percent because of the decrease in the stock of cotton and the reduction of unreasonable overstock.

The retail sale market has further expanded and the supply of major commodities increased. The year's total value of retail sales of commodities amounted to 6.464 billion yuan, an increase of 9.4 percent over the previous year. With the factor of increase in commodity retail price taken into account, the real growth was 7.7 percent, the highest growth recorded since the founding of the PRC. Of this total volume of retail sales of commodities, agricultural production means sold to production teams and peasants in rural areas amounted to 974 million yuan, an increase of 15.1 percent; while daily life consumer goods sold to urban residents amounted to 4.668 billion yuan, an increase of 7.6 percent.

The retail sale volumes of major consumer goods were as follows:

| | 1983 | % increase over 1982 |
|--|----------------------|-------------------------|
| Grains | 3.047 billion jin | 2.0 |
| Edible vegetable oil | 129 million jin | 18.3 |
| Pork | 211 million jin | -15.3 |
| Beef | 4.683 million jin | 82.9 |
| Mutton | 16.516 million jin | 14.4 |
| Fresh eggs | 69.01 million jin | 11.5 |
| Sugar | 77,200 tons | 2.8 |
| Alcohol | 51,200 tons | 21.0 |
| Cigarettes | 653,800 cases | 25.8 |
| Tea | 130,000 dan | 2.7 |
| Cotton fabric | 173 million meters | - 3.5 |
| Chemical fiber fabric | 21.56 million meters | 19.4 |
| Cotton-chemical fiber blending fabric | 86.06 million meters | 41.2 |
| Wool fabric | 3.17 million meters | 21.9 |
| Silks and satins | 13.1 million meters | 14.6 |
| Undershirts | 13.97 million pieces | 11.6 |
| Cotton and woolen clothes | 8.15 million pieces | 6.8 |
| Sweat shirts and pants | 2.88 million pieces | 7.5 |
| Machine-made thin paper | 10,900 tons | - 6.0 |
| Soap | 1.13 million cases | 15.3 |

[Table continued]

| | 1983 | % increase over 1982 |
|-----------------|------------------|-------------------------|
| Washing powder | 13,800 tons | 19.0 |
| Matches | 548,700 packages | 6.8 |
| Sewing machines | 200,000 sets | -36.1 |
| Watches | 658,000 | - 0.9 |
| Bicycles | 500,100 | 2.8 |
| Radio sets | 721,300 | -14.7 |
| Television sets | 104,400 | - 2.8 |

Among various daily life consumer products, the sales of highly nutritious foodstuffs, and cheap and fine quality chemical fiber fabric increased dramatically. Medium- and high-grade durable consumer goods, such as name brand bicycles, sewing machines, and television sets of high quality and new designs, have had a steady market, and good quality chemical fertilizers, highly effective and low residual toxicity agricultural chemicals, mixed feeds, small-sized and multi-use agricultural machines, and so on have been so well received that supply has fallen short of demand. Meanwhile, the sales volume of cotton fabric decreased. As the production of some commodities failed to keep in line with the changing demand of the market in town and country, these commodities were unmarketable and there was overstocking. Therefore, it is necessary to further readjust output and improve marketing.

The retail sale volumes for all economic sectors have increased. And the growth in the retail sales volumes for the collective economic as well as the individual economic sectors were particularly considerable. The annual retail sales volume for collective commercial and catering units totaled 729 million yuan, an increase of 42.1 percent, and its proportion in the total retail sales volume was up to 11.3 percent as compared with 8.7 percent in the previous year. And the annual retail sales volume for private commercial and catering units totaled 283 million yuan, an increase of 230 percent, and its proportion in the total retail sales volume was up to 4.4 percent as compared with 1.4 percent in the previous year.

The commercial sector has made progress in improving economic results. The proportion of expenditure used to operate commodity circulation was reduced to 10.8 percent as compared with 11.3 percent in the previous year. The per-staffer selling volume increased to 37,000 yuan in 1983 as compared with 34,000 yuan in the previous year, which meant a growth of 7.4 percent. The proportion of the number of enterprises suffering losses in all enterprises decreased from 27.8 percent in the previous year to 20.2 percent in 1983, while the value of losses suffered by these enterprises decreased by 7.8 percent as compared with last year.

The number of fairs in town and country increased to 1,224 and the transaction rate is brisk. The annual trade volume totaled 1.045 billion yuan, an increase of 7.5 percent. Of this trade volume, the volume of commodities sold to nonagricultural residents totaled 268 million yuan, an increase of 10.5 percent. There was pretty high growth in the trade volume of meat, eggs, poultry, vegetables, preserved and fresh fruits, and other goods. As a result, the market has been enlivened, production output was raised, and the masses have been provided with better service.

The commodity prices have been generally stable while the prices of certain items have been going up. The overall annual commodity retail price level rose by 1.5 percent over the previous year (the price level was up by 2.1 percent in the urban areas and by 0.7 percent in the rural areas). The level of retail commodity list prices in state-run commercial enterprises rose by 1.4 percent, the negotiated price index dropped by 2.8 percent, and the consumer goods price level in country fairs rose by 7.2 percent. The percentage increases in the retail commodity list prices for different items are as follows: Food up by 2.8 percent (vegetables up by 17.8 percent and aquatic products up by 15.6 percent); clothes down by 1.7 percent; daily necessities up by 0.1 percent; articles for cultural and recreational use down by 0.9 percent; medicines and medical articles up by 3.9 percent; and fuel up by 0.4 percent. On the other hand, the prices of agricultural production means also rose by 1.2 percent; and the index of living expenditure for staff and workers in cities rose by 2.2 percent or, to be more detailed, the price index of daily consumer goods rose by 2.1 percent and the price index for various services by 3.3 percent. Due to the increasing proportion of agricultural and sideline products purchased by state-owned commercial enterprises at negotiated prices or at raised prices increase of extra procurement, and also due to the raised list prices of vegetables and some Chinese medicinal materials, the overall procurement price index for state-run commercial enterprises was increased by 4.2 percent over the previous year. Thus the peasants have really benefited from the increase in the procurement prices.

To date, there are still some units which have raised prices in disguised form or raised commodity prices and service charges without authorization.

VI. Foreign Trade, Tourism

In 1983, the purchase volume of export commodities increased by 2.7 percent when compared with the previous year and, in terms of real price, the purchase total was 496 million yuan, a decrease in 1.3 percent when compared with the previous year. Among the commodities purchased, the industrial and mining commodities totaled 406 million yuan, or the same as the previous year. But the proportion of industrial and mining commodities in the total purchase volume of export commodities increased from 80.9 percent in the previous year to 81.9 percent. The purchase of agricultural and sideline products totaled 90 million yuan, or a decrease of 6.2 percent, and its proportion in the total purchase volume of export commodities fell from 19.1 percent to 18.1 percent.

The total value of the province's direct export commodities was 103 million yuan, an increase of 10.6 percent; while the total value of regional import commodities was 42.30 million yuan, or an increase of 68.1 percent.

Also, the province has seen new development in tourism. Throughout the year, the tourist department and the units concerned received 124,000 inbound tourists from 100 countries and regions, including Overseas Chinese and compatriots from Hong Kong and Macao. They came to the province to sight-see, visit relatives and friends, and for business matters. The number of tourists increased by 33,000 people, or 36.3 percent, when compared with the previous year. In terms of renminbi, the tourists brought to the province 38.49 million yuan of foreign exchange revenue, an increase of 21.3 percent.

VII. Science and Technology, Education, Culture

Scientific and technological standards were improved. By the end of 1983, the number of natural scientists and technicians in the units owned by the whole people totaled 271,000, an increase of 22,000 people when compared with the previous year. And 169,000 people among them work in the local units, an increase of 14,700 people. The province has made remarkable achievements in 336 scientific research projects throughout the year. There were 19 projects that have reached the international standards. They are the XB-9 multi-purpose color television carrier frequency adjuster, the gas ejection device for dry fire distinguishing power, the high-power long-life helium-cadmium laser device, and so on. There were 50 projects that have reached the national advanced level. They include the new technique of beneficiation production of carbon dioxide with the catalyst of sodium carbonate solution, the research of dynamic characteristics of the SSJ-10 digital geophone, the Xian I model vesicular type drum oxygenator, and so on. Also, there were 33 projects that have filled in some gaps in China's science and technology. Among these scientific and technological achievements, there are 114 under application while another 62 are being popularized.

The educational undertaking has developed amidst readjustment. In 1983, the province's ordinary universities and colleges recruited 20,000 students (including post-graduates; the same below), an increase of 5,000 students when compared with the previous year. The province had 15,000 students graduated last year, a decrease of 8,000 students. There were 62,000 students studying in schools, an increase of 6,000 students. The province has also developed in terms of adult higher education. The number of correspondent and evening university students in television university, staff and workers' university, and colleges totaled 27,000, an increase of 10,000 students when compared with the previous year. At the same time, the university-level self-study examination system was warmly received by youths.

The province has begun improving the unitary structure of secondary education. The number of students studying in various secondary schools totaled 1,614,000, a decrease of 22,000 students when compared with the previous year. There were 38,000 students in secondary vocational schools; 28,300 students in ordinary senior middle schools; 1,252,000 students in ordinary junior middle schools; and 16,000 students in technical schools. Also, the number of agricultural and vocational middle school students was 27,000, an increase of 16,000 students or 140 percent when compared with the previous year.

In 1983, the number of primary school students was 3,894,000, a decrease of 259,000 students when compared with the previous year. This is mainly because the number of school-age children has decreased since the implementation of birth control.

In the building of socialist spiritual civilization, the province's cultural and artistic circles, such as literature, arts, movie, radio, television, cultural relics, news, and publication, made new contributions. Throughout the year, the province produced 8 feature films and 9 television dramas of 15 parts each, and released 169 various feature films. By the end of last

year, the province had 4,453 units to project various feature films, 138 art ensembles, 120 art and cultural centers, 1,923 cultural stations, 81 public libraries, 31 museums and memorial halls, 4 radio stations, 10 broadcasting transmission and relay stations, and 1 television station. Also, the province has 10 television transmission and relay stations with over 1 kilowatt of transmitting power each. Throughout the year, the province published 300 million copies of newspapers, an increase of 60 million copies. Two hundred million copies of the newspapers were provincial ones; while the other one hundred million copies were prefectural and city newspapers. The province published 1,869 copies of magazines and 100 million copies of magazines and 100 million books. Also, 153 million books were sold in the province. All of these have further enriched the people's cultural life.

VIII. Public Health, Sports

The province made new achievements in continuing to develop the public health undertaking. By the end of last year, the province had 61,000 hospital beds, an increase of 2.4 percent. There were 957,000 professionals and technicians in public health undertakings, an increase of 3.7 percent. The number of doctors among them was 438,000, an increase of 4.3 percent; and the number of nurses was 173,000, an increase of 10.2 percent. The province has further implemented the patriotic sanitation campaign and the work of preventing and treating regional diseases. The province has checked the spread of Dijia [0966 3946], keshan myocardial disease, and brucella disease, while consolidating and developing the results of prevention and treatment.

On the sports front, the province scored new successes. Throughout the year, the province has organized 836 games above county level, and 187,000 competitors have joined in games. At present, the physique of 279,000 people in the province can meet the "National Standard for Sports Training." The province widely organized mass sports activities, while the number of competitors taking part in games has been on the increase. Among various sports events and competitions, the province's competitors have broken 4 national records, have won 11 national championships, and have broken 62 provincial records.

IX. People's Livelihood

The livelihood of people living in both rural and urban areas constantly improved. According to a sample investigation of peasant households' income and expenditure, in 1983, the average net income per peasant was 236.1 yuan (including 204 yuan of production and business activities and 32.1 yuan of urban remittance, social relief, and deposit interests), an increase of 8.2 percent; whereas the average living expense per person was 203.4 yuan, an increase of 20.4 percent. According to a sample investigation of the income and expenditure of the workers' households, the average living expenses allocated per person in 1983 was 452.9 yuan, an increase of 7.7 percent compared with the previous year. After deducting factors which force up the price index of the workers' living expenses, the real income has increased by 5.4 percent.

In 1983, the cities and towns in the province made employment arrangements for 150,000 people, including youths awaiting jobs, other personnel, and graduates of universities, polytechnical schools, and technical schools which are under the centralized distribution of the state. By the end of the year, the number of workers throughout the province totaled 3.12 million, an increase of 35,000 people when compared with the previous year. The figure includes 2.606 million workers working in units owned by the whole people, which has increased by 20,000 people; and 514,000 workers in units owned by the city and town collectives, which has increased by 15,000 people. By the end of the year, there were 44,000 individual laborers working in cities and towns, an increase of 57.1 percent when compared with the previous year. There has also been a large increase in the number of individual laborers.

In 1983, the wages of workers throughout the province totaled 2.53 billion yuan, an increase of 5.3 percent when compared with the previous year. The figure includes 2.21 billion yuan of total wages of workers in units owned by the whole people, which has increased by 5 percent; and 320 million yuan of total wages of workers in units owned by the city and town collectives, which has increased by 7.3 percent. The amount of bonuses accounted for 240 million yuan in the total wages amount, an increase of 6.1 percent when compared with the previous year. The average money wages of the workers totaled 824 yuan, an increase of 27 yuan when compared with the previous year. This includes 857 yuan of average wages of units owned by the whole people, which has increased by 26 yuan; and 652 yuan of average wages of units owned by the city and town collectives, which has increased by 33 yuan.

The amount of savings of people living in cities and towns continued to grow. By the end of 1983, the province's savings deposit balance totaled 2.542 billion yuan, an increase of 24 percent when compared with the previous year. This includes 1.897 billion yuan of savings deposit from people living in cities and towns, which has increased by 23.4 percent; and 645 million yuan of savings deposit from peasants, which has increased by 25.8 percent.

In 1983, the units owned by the whole people and those owned by the city and town collectives built 3,133,400 square meters of new housing, an increase of 4.3 percent when compared with the previous year; individuals living in cities and towns built 456,000 square meters of new housing, an increase of 33.7 percent; and peasants built 20,325,000 square meters of new housing, an increase of 63.6 percent.

The province continued to strengthen the social support for single, aged, and handicapped people, and children. In 1983, the rural collective economy provided support for 48,000 single, aged and handicapped people, and children. The number of old folks' homes run by the rural areas increased to 231, an increase of 27.6 percent, and these homes provided support for 2,071 people, an increase of 18.8 percent when compared with the previous year. The number of public welfare centers in cities and towns increased to 23, and they have provided services for 2,058 people, an increase of 4 percent when compared with the previous year.

The province also made new development in the work of protecting the environment. By the end of the year, the environmental protection departments had 828 items of principal instruments and equipment, an increase of 4 percent when compared with the previous year. The rate of treating industrial waste water increased by 3.2 percent. The rate of purifying waste gas during the technological process was 62 percent, the rate of comprehensively utilizing waste was 11.3 percent, and the rate of remaking stoves increased by 1.8 percent when compared with the previous year. As the province scored successes in improving the water quality, and in preventing and treating chloric poisoning, the urban environment and public health conditions improved a great deal.

X. Population

By the end of 1983, the province had a population of 29.309 million, an increase of 268,000, or 0.9 percent, when compared with the previous year. The male population was 15.245 million, or 52 percent of the total; and the female population was 14.064 million, or 48 percent of the total.

The province continued to develop the family planning work, and the rate of women at child-bearing age receiving contraceptive measures increased by 1.6 percent when compared with the previous year. The number of certified one-child families increased by 17.4 percent when compared with the previous year. According to a preliminary statistic, the province's birth rate in this year will be 16.01 per thousand, the death rate will be 6.59 per thousand, and the natural growth rate of the population will be 9.42 per thousand.

Note: 1. The gross social output value is the total value of agriculture, industry, building industry, communication and transport industries, and commerce (including the industry of supplying and marketing goods and materials, and catering industry). The national income is the total net value of these 5 material production departments. The figures for the gross social output value, the gross industrial output value, the gross agricultural output value, and the national income published in this communique are calculated in connection with the prices of that year. The growth rate in comparison with the previous year is calculated in connection with the comparable prices.

2. The fixed assets invested by the units owned by the whole people include the investment on capital construction, innovation, and other facilities.

CSO: 4006/541

AGGREGATE ECONOMIC DATA

HUBEI RIBAO CARRIES 1983 PROVINCIAL STATISTICS

HK170509 Wuhan HUBEI RIBAO in Chinese 2 May 84 p 3

["Hubei Provincial Statistics Bureau Communique on the Results of the Implementation of the 1983 Economic and Social Development Plan Issued in April 1984"]

[Text] The year 1983 was one in which the province reaped a bumper harvest in agricultural production while conquering natural disasters and a year when trade in both urban and rural markets continued to grow briskly and flourish, the people's livelihood further improved, and there were new encouraging changes and marked achievements in the development of the whole national economy and social undertakings. According to preliminary statistics, the provincial total social output value in the past year was 52.1 billion yuan, up 10 percent over the previous year; its national income totaled 23.5 billion yuan, surpassing the plan by 7 percent or an increase of 8.3 percent over 1982. This was the result achieved by the people of all nationalities all over the province through their hard work and concerted efforts in continuing to implement the principle of readjustment, restructuring, consolidation, and improvement under the leadership of the CPC Central Committee, the State Council, and the provincial CPC committee and government.

The main problems still existing in the development of the national economy were that the quality of enterprises was poor and the managerial skills were not high; the contradiction between energy supply and communications and transport on the one hand and the needs of production and construction on the other remained very pronounced; the circulation of rural commodities lagged far behind meeting the needs of industrial and agricultural production and market supplies; and commodity price control remained a weak link in economic work. Fulfillment of the provincial national economic and social development plan in the past year was as follows:

I. Agriculture

In 1983, nearly 30 million mu of farmland throughout the province, comprising half of the province's cultivated land, suffered from such natural calamities as low temperature and catastrophic floods and waterlogging. However, thanks

to the further implementation of the various party policies in the rural areas, the perfection of the output-related contract system, and the in-depth development of the rural economic system, the enthusiasm of the broad numbers of cadres and commune members for providing for and helping themselves by engaging in production was brought into play, and with the vigorous support given by the PLA and all trades and professions and through concerted efforts to combat natural disasters, the losses caused by natural disasters were lightened and significantly made good, yet another bumper harvest was reaped in agricultural production since the founding of the PRC, with the total agricultural output value reaching 14.02 billion yuan or 2.2 percent up over the previous year.

Targets were surpassed for such major agricultural products as grain, oil-bearing crops, hemp, silkworm cocoons, and tea, but although output of cotton showed an increase of more than 10 percent over the previous year it did not fulfill the target due to natural disasters. As the result of putting under control the area of land sown with rapeseed, tobacco and ramie, their output decreased in varying degrees compared with that in 1982.

The output of major farm products was as follows:

| | 1983 | % increase over 1982 |
|--------------------------------|--------------------|-------------------------|
| Grain | 39.758 billion jin | - 0.4 |
| Cotton | 7.6953 million dan | 12.8 |
| Oil-bearing crops | 8.4294 million dan | -26.6 |
| of which: Rapeseed | 6.3165 million dan | -26.0 |
| Peanuts | 1.2229 million dan | - 2.0 |
| Sesame | 881,200 dan | -47.8 |
| Hemp | 1.3933 million dan | 3.8 |
| of which: Jute and ambari hemp | 1.121 million dan | 13.4 |
| Ramie | 256,200 dan | -21.3 |
| Sugar crops | 3.1651 million dan | 45.4 |
| Silkworm cocoons | 159,200 dan | 2.5 |
| Tea | 456,800 dan | 11.1 |
| Tobacco | 1.023 million dan | -40.6 |

In 1983, the province further relaxed policies to expand the scope of mountainous areas for private use and implemented various forms of responsibility systems in forestry production in the light of local conditions. As a consequence, there was a new advance in the mass afforestation drive to reclaim barren hills and there emerged a group of advanced counties and cities in the mass voluntary afforestation drive across the province. In 1983, 4.529 million mu of land throughout the province was afforested, 13.2 percent in excess of the plan, or 57.7 percent more than in 1982, and moreover, the output of most forest products showed increases, of which the output of fruit was 3.35 million dan, up by 21.8 percent; that of tung-oil seeds was 890,000 dan, up by 2.6 percent; and that of tea-oil seeds was 204,000 dan, up by 12.1 percent.

In animal husbandry production, the output of most livestock products increased in varying degrees. However, pigs in stock at the end of the year fell in number, far from meeting the target of the annual plan, and the number of sheep and goats in stock at year-end continued to decrease.

The output of major animal husbandry products and the number of livestock was as follows:

| | 1983 | % increase over 1983 |
|--------------------------------------|-----------------|-------------------------|
| Pork, mutton, and beef | 628,500 tons | 4.4 |
| of which: Pork | 618,400 tons | 4.5 |
| Porkers slaughtered | 10.8187 million | 3.2 |
| Pigs at year-end | 16.4292 million | 2.1 |
| Large domestic livestock at year-end | 3.1045 million | 0.6 |
| Sheep and goats at year-end | 1.4017 million | -9.2 |

In fishery production, full scope was given to the strong points of the province's water resources. In the course of establishing the bases for marketable fish, efforts were stepped up to accelerate the development of both collective and household fish farming industry, which resulted in a sustained big increase in the output of aquatic products. The output of aquatic products of the province in 1983 was 209,800 tons, 6 percent in excess of the plan or an increase of 19.8 percent over the previous year, of which the output of adult fish was 202,400 tons, up 19.7 percent over 1982.

In 1983 there emerged a fine situation in the building of irrigation works in the afflicted rural areas, a situation seldom seen for years. Some water conservancy facilities seriously damaged by floods and waterlogging were already restored and rebuilt in varying degrees through rush repairs and realignments. The area of farmland under effective irrigation remained the same as that in the previous year. The number of farm machines throughout the province continued to rise. The power-driven equipment for farm use of the province at the end of the year totaled 11.287 million horsepower, a gain of 2 percent over the previous year. The province had 41,037 large and medium-sized tractors, 3,884 more than in 1982; 5,950 farm trucks, an increase of 426 trucks; and power-driven drainage and irrigation equipment for rural use totaled 3.215 million horsepower, a rise of 24,000 horsepower. Compared with the previous year, a total of 797.400 tons of chemical fertilizer (counted at 100 percent efficiency) was applied, up by 14.4 percent, or averaging 28.8 jin per mu, an increase of 3.8 jin, and total electricity used in the rural areas came to 1.604 billion kilowatt-hours, up by 30.9 percent.

In 1983, the provincial meteorological and hydrological departments supervised and made forecasts of disasterous weather, thus playing a positive role in conquering the catastrophic floods and waterlogging caused by the Chengjiang and Hanshui, safeguarding the safety of the lives and production of the people, and minimizing losses incurred therefrom.

Great achievements were made in the agricultural production throughout the province in 1983. This played a positive role in the stability and development of the province's economy but at the same time, reflected that the capability

of agriculture to combat natural disasters was still very weak; the favorable conditions of the forestry and fruit and breeding industries had not yet been brought into full play; and some farm products were far from meeting the needs of production and the people's livelihood.

II. Industry

On the industrial front across the province in 1983, active attention was paid to the "reorientation" and "reshaping" of industrial sectors, and therefore, there was an overall increase in industrial production in the course of readjustment. The total industrial output value throughout the year was 31.23 billion yuan, 5.7 percent in excess of the plan, or 14.7 percent more than in the previous year. Of this, the total output value of industry run under the system of ownership by the whole people was 24.16 billion yuan, up by 31.1 percent and that run under the collective ownership system was 6.94 billion yuan, an increase of 21.3 percent. Targets were reached or surpassed for the output of 61 out of 84 major products listed in the provincial plan for the year, comprising 72.6 percent. The output of 22 products such as crude oil, electricity, chemical fertilizers, trucks, tractors, bicycles, and tape recorders had reached the 1985 levels as stipulated in the Sixth Five-Year Plan 2 years ahead of time. The production of some unmarketable, overstocked consumer goods such as sewing machines, radios, and synthetic fatty acid has already been controlled to a certain extent.

In 1983, on the basis of big increases in light industrial production for 4 years in succession, after overcoming many binding factors, such as price adjustment and restricted production and vigorously readjusting the product mix and energetically developing the production of marketable products, light industry created a value of 15.25 billion yuan throughout the year, 12 percent higher than in the previous year, of which the output value of the food industry increased by 15.3 percent; that of the home electrical appliances industry was up by 20.8 percent; and that of electronics industrial products for cultural life rose by 15.4 percent.

The output of major light industrial products was as follows:

| | 1983 | % increase over 1982 |
|---------------------------------|------------------------|-------------------------|
| Chemical fibers | 9,900 tons | 52.1 |
| Cotton yarn | 266,900 tons | -4.3 |
| Cotton cloth | 1.2 billion meters | -4.5 |
| Woolens | 2.6078 million meters | 57.0 |
| Knitting wool | 5,000 tons | 10.4 |
| Silk textiles | 31.5369 million meters | 26.6 |
| Gunnysacks | 33.9485 million | 11.2 |
| Thermos flasks and glass liners | 8.2408 | -6.4 |
| Cigarettes | 1.6917 million cases | 30.4 |
| Matches | 1.0403 million boxes | 26.5 |
| Paperboard | 243,200 tons | 12.2 |
| Sugar | 4,100 tons | 43.9 |
| Beer | 73,600 tons | 87.8 |

[Table continued]

| | 1983 | % increase over 1982 |
|----------------------------|----------------|-------------------------|
| Raw salt | 788,900 tons | 8.3 |
| Detergents | 44,300 tons | 17.5 |
| Bicycles | 1.1436 million | 6.7 |
| Sewing machines | 343,800 | -51.9 |
| Wristwatches | 105,300 | 21.7 |
| Tape recorders | 260,800 | 48.2 |
| Cameras | 35,100 | 5.7 |
| Household washing machines | 179,900 | 28.9 |
| Household refrigerators | 8,600 | 760. |
| Electric fans | 249,800 | -8.7 |

While firmly grasping the production of daily consumer goods, the province gave full play to the favorable conditions of heavy industrial production and expanded its service orientation so that heavy industry could vigorously provide the production and technical transformation of the other sectors of the national economy, and export trade with equipment and products. As a consequence, there was a continued big upturn in heavy industrial production, and the output value of heavy industrial production throughout the year was 15.98 billion yuan, 17 percent higher than in 1982, of which the output value of the farm machinery industry increased by 28.3 percent. The output value of the chemical fertilizer and farm chemical industries increased by 23 percent; that of the building materials industry rose up by 17.2 percent; that of the communications facilities industry showed an increase of 23.3 percent; and that of the energy industry went up by 16 percent.

The output of major heavy industrial products was as follows:

| | 1983 | % increase over 1982 |
|-------------------------------------|-------------------------|-------------------------|
| Raw coal | 6.2466 million tons | 21.0 |
| Crude oil | 1.02 million tons | 0.8 |
| Electricity | 18.13 billion kw-hours | 18.0 |
| Electricity generated by hydropower | 13.586 billion kw-hours | 32.2 |
| Pig iron | 3.6288 million tons | 8.5 |
| Steel | 4.0865 million tons | 12.0 |
| Rolled steel | 3.5692 million tons | 8.2 |
| Timber | 620,300 cubic meters | 1.4 |
| Cement | 5.506 million tons | 12.3 |
| Plate glass | 673,500 cases | 12.8 |
| Sulphuric acid | 522,300 tons | 11.6 |
| Soda ash | 114,900 tons | 27.2 |
| Caustic soda | 69,800 tons | 1.5 |
| Synthetic ammonia | 864,200 tons | 16.6 |
| Chemical fertilizer | 762,800 tons | 14.0 |
| Nitrogenous fertilizer | 606,800 tons | 16.4 |
| Phosphate fertilizer | 156,000 tons | 5.4 |

[Table continued]

| | 1983 | % increase over 1982 |
|--------------------------------------|---------------------|-------------------------|
| Chemical insecticides | 18,900 tons | -23.8 |
| Plastics | 10,900 tons | 22.3 |
| Calcium carbide | 40,600 tons | 12.5 |
| Phosphate rock | 2.9095 million tons | -13.8 |
| Mining equipment | 4,600 tons | 10.8 |
| Alternators | 981,100 kilowatts | 27.4 |
| Machine tools | 5,600 | 33.3 |
| Motor vehicles | 67,100 | 21.5 |
| Tractors | 3,200 | 60.7 |
| Hand-held tractors | 6,200 | 83.1 |
| Internal combustion engines (output) | 9.6061 million hp | 22.2 |

The quality of manufactured goods improved considerably. Twenty-four products were awarded by the state with gold and silver medals, 11 more than in the previous year, and moreover, 290 products were cited as provincial top-quality products, 121 more than in 1982.

The economic results of industrial production were better than in the previous year. There was basically a synchronous increase in both production and economic results. The productivity of the industrial enterprises under the system of ownership by the whole people which assumed sole responsibilities for their own profits and losses in 1983 was 14,400 yuan per worker, up by 9.6 percent over the previous year; the turnover of circulating funds was speeded up by 2.3 percent; the comparable production cost dropped by 0.5 percent; the number of enterprises operated at a loss decreased from 15.7 percent in the previous year to 9.8 percent and the total amount of their losses was reduced by 39.8 percent. However, compared with advanced provinces and cities, the province still lagged far behind in some targets. There was still huge potential for attaining better economic results.

III. Communications and Transport

The volume of freight carried by all means of transport of the various transport departments throughout the province in 1983 totalled 114 million tons, an increase of 1.8 percent over 1982; that of freight transport was 42.167 billion ton-kilometers, up by 12.6 percent; that of passengers carried by all means of transport was 236 million persons, up by 12.4 percent; and that of passenger transport was 13.546 billion passenger kilometers, a gain of 16.9 percent.

The communications and transport of the province in 1983 made constant progress in the course of conquering serious natural disasters. Through the concerted efforts of all cadres and workers along the roads seriously damaged by floods, the damaged roads were rapidly rebuilt and improved and the average rate of road in good condition along the main and feeder roads was 65.6 percent, a 2.4 percent increase over 1982. Some roads were newly built or rebuilt.

At present, the capacity of communications and transport of the province is fairly low and far from meeting the needs of the development of the national economy and the improved living standards of the people. The strong points of water transport have not yet been brought into full play and the potential of rivers for comprehensive navigation lines remains to be further tapped.

IV. Investment in Fixed Assets

Total investment in fixed assets in units under the system of ownership by the whole people throughout the province in 1983 was 3.669 billion yuan, an increase of 6.4 percent over the previous year, and that in units under the collective ownership system in cities and towns was 295 million yuan, 5.4 percent higher than in 1982.

Of the composition of investment in fixed assets in units under the system of ownership by the whole people, the investment poured into productive construction was 2.359 billion yuan, an increase of 9 percent over the previous year, and of the total investment in fixed assets, the proportion of costs for investment in productive construction rose from 62.8 percent in 1982 to 64.3 percent; the investment in non-productive construction, such as housing, schools, hospitals, and public facilities, was 1.31 billion yuan, a decrease of 2.2 percent compared with the previous year and its proportion dropped from 37.2 percent in 1982 to 35.7 percent, of which the investment in civilian housing came to 728 million yuan, a fall of 6.8 percent compared with 1982.

Of the composition of investment in fixed assets in units under the system of ownership by the whole people, the investment poured into productive construction was 2.359 billion yuan, an increase of 9 percent over the previous year, and of the total investment in fixed assets, the proportion of costs for investment in productive construction rose from 62.8 percent in 1982 to 64.3 percent; the investment in non-productive construction, such as housing, schools, hospitals, and public facilities, was 1.31 billion yuan, a decrease of 2.2 percent compared with the previous year and its proportion dropped from 37.2 percent in 1982 to 35.7 percent, of which the investment in civilian housing came to 728 million yuan, a fall of 6.8 percent compared with 1982.

Of the investment in fixed assets in units under the system of ownership by the whole people, the scope of capital construction has already been controlled to a certain extent. Total investment in capital construction throughout the year was 2.447 billion yuan, a drop of 3.8 percent compared with the previous year, of which the investment by the central authorities was 1.297 billion yuan, up to 6.4 percent over 1982. With the implementation of the urgent circular by the State Council on controlling the scope of capital construction and sorting out the development projects under construction, in local investment activities, powerful measures were taken to resolutely slash some capital construction projects. Total investment in this respect throughout the year was 1.15 billion yuan, a decrease of 13.1 percent compared with the previous year. At the beginning of the year,

the tendency to a excessively sharp increase in capital construction investment had been checked out the control figure of 7.2 percent was still exceeded.

In the investment in fixed assets in units under the system of ownership by the whole people in 1983, efforts were stepped up to carry out the technical transformation of enterprises and productive units. The number of projects using a total investment of 50,000 yuan or more each for conducting innovations and transformation was 3,503, of which 1,909 were put into operation this year. The investment used in this respect totaled 1.222 billion yuan, 35.4 percent more than in 1982. This included 170 million yuan used in economizing and exploiting energy; 130 million yuan in increasing product variety; and 110 million yuan in improving the specifications and quality of products. Compared with the previous year, investments in these fields showed increases in varying degrees.

In the investment in fixed assets in units under the system of ownership by the whole people, the number of projects which were totally or partially completed and commissioned was 5,321, with the availability rate of projects being 62.7 percent. The province had an additional 2.64 billion yuan worth of fixed assets and the availability rate of its fixed assets was 71.9 percent. A group of construction projects urgently needed by the development of the national economy and the people's livelihood were completed in a fairly satisfactory way.

The main additional production capacity or efficiency of units under the system of ownership by the whole people was as follows:

1983

| | |
|---------------------------------|-----------------------------|
| Cement | 290,000 tons |
| Power-generating installation | 495,000 kilowatts |
| Plate glass | 1.02 million standard cases |
| Chemical fertilizer | 198,000 tons |
| Water supply per day | 457,000 tons |
| Floor space of civilian housing | 5.83 million square meters |

New achievements were made in the geological prospecting work of the province in 1983. A group of mineral reserves of great economic value were discovered. Big advances were also scored in the hydrogeological work of the province, and the province's prospective hydrogeologic division and division work on special subjects and regions were completed.

V. Domestic Commerce

In 1983, the total net value of commodities purchased by state-run commercial departments and supply and marketing cooperatives reached 13.289 billion yuan, topping that of the previous year by 7.8 percent. This included 5.174 billion yuan worth of farm produce and sideline products, an increase of 7 percent over the previous year or an all time high, and 8.019 billion yuan worth of manufactured goods, up by 8.2 percent over 1982.

There was a big increase in the number of points in the commercial and catering network throughout the province in 1983. By the end of the year, the province had 243,200 points in the retail commercial and catering network, 123,000 more than in the previous year. This included 188,700 points in the collective and individual commercial network, an increase of 121,000 over 1982, and 130,000 points operated under the county level, 90,000 more than in 1982. The number of people engaged in retail commerce and catering trade totaled 602,300, 156,000 more than the previous year, of which people engaged in retail commerce and catering trade operated collectively or individually amounted to 334,000, 158,000 more than in the previous year, and that of people engaged in retail commerce and catering trade operated under the county level was 314,000, an increase of 109,000 people over 1982.

With the increased sources of commodities and the development of various economic forms and the multiplication of circular channels, both urban and rural markets throughout the province continued to remain prosperous and brisk. The total retail sales of the province throughout the year amounted to 13.32 billion yuan, an increase of 11.7 percent over 1982 or a real increase of 10.1 percent after deducting the effect of inflation. Of this, the total value of retail sales of the commercial departments under the system of ownership by the whole people (including supply and marketing cooperatives) was 9.895 billion yuan, 2.7 percent higher than in 1982; that of collective commerce was 1.957 billion yuan, up by 32.8 percent; that of licensed individuals engaged in commerce was 698 million yuan, up by 240 percent; and the value of goods sold by the peasants to non-agricultural population was 768 million yuan, 33 percent higher than in 1982. In the total value of retail sales of social commodities, the proportion of commerce under the system of ownership by the whole people decreased from 80.0 percent in 1982 to 74.3 percent; that of collective commerce rose from 12.4 percent to 14.7 percent; that of individual commerce increased from 1.7 percent to 5.2 percent; and that of goods sold by the peasants to non-agricultural population went up from 4.8 percent to 5.8 percent. There was a fairly big increase in the transactions in both urban and rural trade fairs.

Seen from the sales pattern of commodities, the sales value of the means of production for rural use totaled 2.076 billion yuan, an increase of 6.7 percent over the previous year, and there were fairly big increases in the sales of chemical fertilizers, plastics for farm use, hand-held tractors, and pumps for farm use. The value of daily consumer goods sold to both urban and rural inhabitants was 10.476 billion yuan, up by 11.4 percent over 1982.

[Table on next page]

The sales volume of the major commodities of the province in 1983 was as follows:

| | 1983 | % increase over 1982 |
|-------------------------------|--------------------|-------------------------|
| Grain | 6.853 billion jin | 3.9 |
| Edible plant oil | 2.674 million dan | 15.1 |
| Porkers slaughtered | 6.148 million | 4.3 |
| Eggs | 606,000 dan | -14.5 |
| Cotton cloth | 238 million meters | -33.3 |
| Chemical fiber blending cloth | 144 million meters | 18.4 |
| Sewing machines | 348,000 | - 3.2 |
| Bicycles | 961,000 | 36.6 |
| Wristwatches | 1.698 million | 9.0 |
| Television sets | 223,000 | 9.4 |

Generally speaking, there was quite an ample supply of commodities on the market, an increase in the variety of products, and an improvement in the quality of products. The state of manufactured goods delivered and sold in the rural areas took a considerably favorable turn. However, the supply of some commodities still fell short of demand. Parallel [words indistinct] in market [word indistinct], some lower-quality but highly priced commodities whose variety in design, size, and color was unsuited to market demands became unsalable and had to be kept in stock.

The economic results of the commercial departments in 1983 improved considerably and the average per capita sales volume of the staff and workers in commercial departments increased by 4 percent over the previous year. The rate of commodity circulation charges decreased from 10.8 percent in 1982 to 10.7 percent. The turnover of circulating funds was speeded up by 2 percent, the profits created increased by 76 percent over the previous year, and the total amount of profits and taxes handed over to the state (not including the losses suffered by the grain department and its affiliated organizations from the implementation of state policies) topped the 1982 figure by 20.5 percent.

The state purchasing prices for major agricultural and sideline products in the province in 1983 were basically stable but the increase in the proportion of commodities purchased at negotiated prices and above-quota prices resulted in an increase of 2.2 percent in the overall level of purchasing prices for agricultural and sideline products throughout the province. With the exception of the price hikes in some non-staple food and means of production for rural use, the prices of most daily necessities in the retail commodity market were basically stable, and the overall level of retail commodity prices in 1983 was 1.4 percent higher than in the previous year. Of the prices for consumer goods, the price of clothing decreased by 3.7 percent; that of daily necessities, by 1.1 percent; and that of commodities for cultural and recreational activities, by 2.8 percent; but the price of food rose up by 3.3 percent and that of the means of production for rural use increased by 4.8 percent.

VI. Foreign Trade, Tourism

In 1983, in earnestly implementing the open policy and carrying out various foreign economic and trade activities, economic and trade departments throughout the province achieved gratifying results. Plans for foreign trade purchases and exports were overfulfilled. The gross purchase volume of foreign trade was 1.38 billion yuan, a 12.3 percent increase over the annual plan and a 1.2 percent increase over the previous year. The income from export commodities was \$410 million, an 18.4 percent increase over the annual plan and a 13 percent increase over the previous year. Deducting the price factor, the actual increase was 28.5 percent. Local export volume was \$31.41 million, a 34 percent increase over the previous year.

In 1983, 24,000 foreigners, Overseas Chinese, and Hong Kong and Macao compatriots came to the province for a visit or to engage in trade, sports, scientific, and cultural activities, a 14.3 percent increase over the previous year. The income from foreign exchange was \$3 million, equal to that in the previous year.

VII. Science, Education, Culture

In 1983, the province achieved gratifying results in the scientific research work. Verified results in natural scientific research [words indistinct] to 543 [words indistinct] 48 were major items. Most of these items are playing an important role in the [words indistinct] economy. Take for example the 13.2 kilometer-long optical fiber telecommunications line manufactured by the Wuhan Postal and Telegraphic Research Institute. It is China's longest optical fiber telecommunications line in operation, and it has reached advanced world level. The Wuhan City Wireless Institute and the Wuhan Medical College succeeded in jointly manufacturing an autodiagnosis system used in electrocardiocomputers. Its accuracy is 90.9 percent. The province also made progress in research work on social sciences.

In 1983, the province further strengthened educational work, and the teacher contingent, and improved teaching conditions. Students enrolled in institutions of higher learning in the province numbered 24,100, an increase of 5,700 students over the previous year, and the number of students studying in institutions of higher learning in the province was 74,900, an increase of 9,300. The number of students enrolled in secondary technical schools was 20,000, an increase of 2,600 students, and the number of students studying in these schools was 45,000, an increase of 4,800. Enrollment in agricultural and professional secondary schools was 48,200 students, an increase of 21,600 students, and the number of students studying in these schools was 77,900, an increase of 31,300. Enrollment in ordinary middle schools was 858,900 students, a drop of 33,000 students, and the number of students studying in these schools was 2.4448 million, a drop of 140,600. Pupils enrolled in primary schools numbered 1.206 million, a drop of 27,000 pupils, and the number of pupils studying in these schools was 6.7941 million, a drop of 287,300. The enrollment rate of children of school age was a little higher than in the previous year.

In 1983, the social educational cause continued to develop. The number of adults receiving education of higher learning (including education in television universities, correspondence universities, night universities, and staff and worker universities) was 590,000, an increase of 6,900 over the previous year. The number of adults receiving middle school education was 144,300, a drop of 52,100. The number of adults studying in professional secondary schools and sparetime schools dropped and the number of peasants studying in technical schools rose by a large margin. The number of adults receiving primary school education was 270,900, an increase of 45,100. There was improvement in the work to eliminate illiteracy.

In 1983, the province made new contributions to eradicating spiritual pollution in cultural, artistic, film, broadcasting, television, and publishing work, and a large number of good works were published. There are great development in commune- and brigade-run cultural facilities. The number of individual peasant households engaged in cultural work rapidly increased, and folk art activities thrived, which had been rarely seen before. By the end of last year, films were shown in 7,000 units. There were 126 cultural troupes, 196 cultural palaces, 103 public libraries, and 36 museums. There were 330 market town cultural centers.

VIII. Health, Sports

In 1983, health departments carried out rectification in urban and rural health organizations, and progress was made in health work. In particular, rural medical and health work was strengthened. By the end of last year, there were 8,021 health organizations throughout the province, an increase of 1,668 over the previous year. Of that total, 5,084 were in the rural areas, an increase of 1,671. There were 178,600 health technicians, an increase of 5,000. Of this total, the number of rural health technicians was 105,900, an increase of 3,900. There were 139,600 medical beds, an increase of 7,000. Of this number, 94,700 medical beds were in the rural areas, an increase of 5,400. The province's technological level in medical and health work was improved. The urban and rural patriotic health campaign and anti-snail fever work developed profoundly. Health departments organized medical personnel to take an active part in providing relief and medical treatment for people in disaster-stricken areas. Thus, they made contributions to preventing epidemic diseases from spreading.

In 1983, the province achieved gratifying successes on the sports front. In international and domestic matches, our province's athletes (sports teams) won 6 world championships, 6 Asian championships, and 40 national championships and broke 20 national records, hitting an all-time high. At the fifth national games, four athletes of the province won spiritual civilization awards. Mass sports activities were carried out on a larger scale.

IX. The People's Livelihood

In 1983, on the basis of the development of production, the people's livelihood was further improved.

As selective survey on urban families reveals: The annual per capita income of urban staff and workers was 502.2 yuan, a 2.9 percent increase over the previous year. Deducting the rising cost of living, the actual increase was 1.1 percent. The cause for the increase in their income was that there were more opportunities for employment. Throughout last year, 179,000 job-awaiting persons were assigned work. Including University and secondary school graduates under the state's unified assignment, demobilized army cadres, and other personnel, the number of staff members and workers in the province was 5.6434 million, an increase of 124,000 over the previous year. Individual laborers amounted to 87,300 an increase of 36,000 over the previous year. The annual total salary of staff and workers was 4.216 billion uuan, a 5.5 percent increase over the previous year. The annual average salary of staff and workers in units under all-people ownership was 781 yuan, an increase of 21 yuan over the previous year.

Although serious natural disasters affected agricultural production, the income of the peasants still increased. The annual per capita net income of the peasants was 299 yuan, a 4.6 percent increase over the previous year. The percentage of peasant households with a per capita net income of over 400 yuan rose from 14 percent in the previous to 18 percent.

The savings of urban and rural people increased by a large margin. By the end of last year, the total savings of the province's people were 3.045 billion yuan, an increase of 676 million yuan and 28.6 percent over the end of the previous year. Of the total, the savings of the people in cities and towns were 1.939 billion yuan, a 33 percent increase over the end of the previous year, and the savings of the people in the rural areas were 1.106 billion yuan, a 21.2 percent increase over the end of the previous year.

In 1983, the area of houses built for units under all-people ownership and units under collective ownership was 6.32 million square meters, equal to that built in the previous year.

With regard to the livelihood of the people, there are still problems. The income of some staff members, workers, and peasants is still low and difficulties in their livelihood have yet to be overcome. Some consumer goods are in short supply. Some citizens in cities and towns are still crowded in their small houses. Public facilities in cities and towns cannot meet the needs of the people. All these problems will be gradually solved.

X. Population

In 1983, the province's population was 48.35 million people.

CSO: 4006/541

ECONOMIC MANAGEMENT

PAPER ON KEY LINK IN ECONOMIC REFORM

HK040944 Beijing GUANGMING RIBAO in Chinese 22 Apr 84 p 3

[Article by Wang Shaofei [3769 4801 7378] and He Zhenyi [0149 2182 0001]:
"A Humble Opinion on the Crucial Links in the Reform of the Economic System"]

[Text] I

What is the key link in the reform in our economic management system? People's understanding varies concerning this question. We think that correctly stipulating the scope of the decisionmaking power of our enterprises and local areas is the key link in this reform. On the surface, an economic management system is very complicated in content and it involves countless economic relations. However, in the final analysis, these relations can all be related to two categories of economic relations, namely, the relation between the central and local governments and the relations between the state and the enterprises and their staff and workers. Enterprises and local areas are the basic elements for these two major economic relations; therefore, as soon as the scope of the decisionmaking power of the enterprises and local governments is defined, the mode of the reform in our economic management system is also defined.

First, an enterprise is a basic-level unit of social production and all the economic relations in the process of social reproduction will finally be related directly or indirectly with it. In theory, in the process of social reproduction, production plays a decisive role and is the starting point of all economic relations. In practice, all kinds of economic relations in our economic management system, vertical or horizontal, will finally be linked with enterprise--the basic link. By vertical relations, we mean nothing but the mutual relations between central government, local governments, and enterprises; and horizontal relations should be basically established on the foundation of the relations between enterprises. Therefore, since there are such complicated vertical and horizontal economic relations, it will be very hard to define the relations in other aspects if we fail to define the scope of the decisionmaking power for our enterprises.

Second, in view of the current situation, the centralism of the central authorities is concretely shown in the line administration of departments.

Excessive centralism means the excessive control of the line administration of departments. Putting an end to this phenomenon means reducing the power of the departments in exercising their line administration and expand the decisionmaking power of local governments. If we fail to first clearly define the scope of the decisionmaking power for local areas and on the contrary, if we allow the various departments to transfer power to local governments separately in the light of the situation in their own departments and without a unified standard, we will inevitably give rise to new contradictions and to a confusion between centralism and decentralism. As a result, we will make it impossible for local governments to do unified planning with due consideration for all concerned. This will not only create difficulties for the reform in our economic management system, but will also weaken the function of the new system. The contradictions that have emerged in the reform of our financial management system now are characterized by this defect. On the one hand, the central financial department finds that the centralization of the collection of revenue has been abolished without the corresponding abolition of the centralization of expenditure. As a result, after the local governments have got a larger share of revenue and greater decisionmaking power, many of their expenditures are still to be paid by the central financial department. On the other hand, the local governments still find that they lack enough financial resources and decisionmaking power and thus lack the money for doing many things that they want to do while the various central departments continue to invent new ways to increase the burdens of financial expenditure for local governments. This phenomenon has resulted from our failure to define the scope of the decisionmaking power for our local governments. When the scope of the decisionmaking power for our local governments is not clearly defined, there is no clear division of the power and responsibility between the central and local governments, thus the local governments cannot really shoulder the responsibility for their own construction and we will be unable to thoroughly put an end to the malpractice of "eating out of the same big pot" in our economic management. Therefore, in order to solve this kind of contradiction and in order to smoothen the relations between the central and local governments and between departments and areas, we must start from defining the scope of the local governments' decision-making power.

II

Comrade Sun Yefang pointed out: Generally, the decisionmaking power for an enterprise can only be restricted within the scope of reproduction with legally stipulated funds. Many people doubted Sun's view. We think that there are the following two advantages in defining the scope of our enterprises' decisionmaking power in accordance with this principle:

1. Defining our enterprises' scope of decisionmaking power according to their legally stipulated funds and thus allowing them to independently employ all these legally stipulated funds (basic depreciation provision should be entirely retained and independently used by the enterprises) will

allow our enterprises sufficient leadway to improve their management and enable them to rationally utilize their funds, raise their economic results and thus continuously develop themselves. Some people have estimated that by utilizing our enterprises own depreciation funds, they can increase the production capacity by about 30 percent. Therefore, the decisionmaking power within the limits of the legally stipulated funds not only enables our enterprises to increase their vitality through independently employing their funds, but will also urge them to improve their production management and thus enable them to maintain their existence without relying on additional investment from outside.

2. The decisionmaking power within the limit of the legally stipulated funds provides our enterprises only with the conditions for expanded reproduction by intention but does not enable them to have the capability to carry out expanded reproduction by extension. Our enterprises are not allowed to increase their new construction projects at will and this facilitates ensuring the balanced development of our national economy.

In a socialist planned economy, the expanded reproduction in the society must be controlled by state plans and should not be carried out separately and blindly by various enterprises. For the investment in expanded reproduction has an impact on the proportional relationships of the reproduction of the entire society and thus has a bearing on the question of whether or not the reproduction of the entire society can be developed in a balanced manner; but an enterprise is only a basic unit of social production and it is impossible for it to have a comprehensive view of the overall situation. Therefore, the power to expand investment must be centralized in the hands of the state. Only by so doing can we control the orientation of the investment and ensure the balanced development of our national economy.

III

The scope of the decisionmaking power for local governments in their economic construction is a relatively complicated problem. It seems that this scope can only be decided in the light of the social and economic functions undertaken by local governments. Generally speaking, all the economic activities that have a bearing on the whole situation of our national economy should be managed by the central authorities in a unified manner in order to ensure the harmonized development of our national economy and various social undertakings. All the local economic activities which do not have a bearing on the whole situation should be managed by local governments separately. Ours is a socialist country with a large population and it is impossible for us to run our economy well if we centralize all the management. We must give play to the initiative of local governments and carry out our economic construction in the light of local conditions. Only by so doing can we achieve better results. According to the principle of giving play to the initiative of local governments while not hindering the balanced development of our national economy, the scope of the decision-making power for our local governments should include the following:

- 1) the construction and management of basic facilities in our cities;
- 2) commerce, catering undertaking, service trade, fixing and maintenance

trade, urban communications and utilities and other undertakings; 3) local manufacturing of industrial goods for daily use and food industry; 4) local cultural, educational, scientific and technological, sports, public health and other welfare undertakings; and 5) other local undertakings. While defining the scope of local decisionmaking power, the various central departments must also carry out corresponding reform to change the previous system of setting up management organizations at each level of government administration. Thus they will separate the function of the governments of the state from the activities of economic management and administration. The various departments will only be responsible for the principles and policies and for the supervision of economic activities while the managerial and administrative activities will be put in the charge of the special trades companies which are economic entities. These companies should set up, in accordance with economic principles and by relying on key cities as the bases, special or combined companies. These companies should conduct their production and management in the light of the demand in their economic zones, but they should also take into account the demand of the whole nation. The managerial activities of various special and combined companies will be carried out under the supervision and guidance of local government organizations and they will pay taxes to local financial organizations in accordance with the law, but they will no longer be under the command of local governments.

IV

Defining the decisionmaking power of our enterprises and localities is aimed at giving better play to the initiative of our enterprises and localities within the scope of planned economy. It is not aimed at switching the ownership of means of production into an ownership by the units or into a private ownership. Therefore, decisionmaking power is only related to the production and management activities inside publicly owned units. It is a decisionmaking power under the precondition of unified planning. Therefore, entities are not independent owners of their means of production nor are they allowed to exploit their decisionmaking power to pursue their private ends. At the same time, in our practical activities, we should also "prevent the practice of distorting and abusing this decisionmaking power." ("Selected Works of Deng Xiaoping," p 322) We should oppose both the practice of sticking to the old method of "eating out of the same big pot" and thus hindering the reform in expanding the decisionmaking power of our enterprises and localities, and the practice of regarding the decisionmaking power as absolute and thus being divorced from the state plan and giving no consideration to the interests of the whole situation. In the process of defining the decisionmaking power of our enterprises and localities, we must continue to transfer from the top down the power that must be transferred and centralize the power that must be centralized. If we protect vested interests without making analysis, cease to make progress, and refrain from breaking the old conventions, there will be no structural reform at all.

While defining the decisionmaking power of our enterprises and localities, we should also fully apply economic levers and administrative means to conduct macroeconomic control over our enterprises and localities and thus urge them to correctly use their decisionmaking power. If we lay stress only on decisionmaking power and neglected macroeconomic control, there will be a dispersion of power which will make our enterprises and localities act blindly. Of course, the means for exercising the macroeconomic control should be adopted under the conditions of not hindering the decisionmaking power of our enterprises and localities. Otherwise, there will be over-centralization of power and overrigid control. The previous situation that people described as "chaos emerges as soon as centralism is relaxed, centralism is restored as soon as centralism is restored" was precisely because we failed to combine the expansion of our enterprises' and localities' decisionmaking power with macroeconomic control. Therefore, we must simultaneously overcome these two kinds of malpractice and clearly stipulate the scope of our enterprises' and localities' decisionmaking power. Only by so doing can we break old conventions and blaze new trails in carrying out our reform.

CSO: 4006/519

ECONOMIC MANAGEMENT

ENTERPRISES ASKED TO MEET DEFICIT-FREE TARGET

OW170221 Beijing XINHUA Domestic Service in Chinese 0154 GMT 14 May 84

[Text] Beijing, 14 May (XINHUA)--The State Council on 3 May approved and transmitted the "Report on the Need to Pay Serious Attention to the Work of Making Enterprises Reduce Deficits and Increase Profits," submitted by the Finance Ministry, the State Economic Commission and the State Planning Commission. In a circular issued along with the report, it called on various localities and departments to seriously implement the report.

The State Council noted that to make up deficits and increase surpluses is an important measure in increasing economic results and improving the quality of enterprises, increasing state revenue and realizing the goal of a complete turn for the better in state financial and economic conditions. The new targets assigned on deficit reductions and profit increases represent a state directive, to be implemented, level by level, where effective measures must be taken, to ensure the targets are met. All localities and departments must strengthen their leadership in exercising serious supervision and inspection. They should pay attention to this work continually over several years, until results are achieved. All localities and departments must make sure the policy is followed, while making up deficits and increasing surpluses. They must not resort to improper means to make a real deficit appear to be profit-making. Commercial departments should do well in making up deficits and increasing surpluses, on the prerequisite that the state policy is correctly carried out, and purchase and supply work is done well.

The report of the Finance Ministry, State Economic Commission and State Planning Commission noted that, in 1983, state-run industrial enterprises reduced their deficits by 34.6 percent, and 23 provinces, autonomous regions, and municipalities directly under the State Council, as well as 11 industrial departments, met, or exceeded, the deficit-reduction targets set by the state. The overall situation is fairly good. However, the work of reducing deficits and increasing profits has not proceeded in a balanced manner. There are still many problems. First, the deficits remain very large. Second, a complete turn for the better in the profit decline situation is yet to be seen. Third, in some enterprises, operational deficits are hidden behind those allowed by policy. In some profit-making enterprises, there are hidden losses on products. Some enterprises do not try to make

up deficits or increase surpluses by improving operations and management, and increasing economic results. Instead, they make various improper approaches to shift deficits elsewhere.

The report suggests concentrating on the following five areas to get practical results in reducing deficits and increasing profits:

1. Strengthen leadership over the work of reducing deficits and increasing profits, by resolutely practicing the system of holding the leaders responsible for profit and loss. The various governors, chairmen and mayors of the respective provinces, autonomous regions, and municipalities directly under the State Council will be responsible for deficit-reduction and profit-increase work in their provinces, autonomous regions, and municipalities. The respective ministers and directors of bureaus directly under the State Council will be responsible for this work in enterprises directly under the various State Council departments. The various State Council ministers, bureau directors, provincial, autonomous regional and municipal department or bureau directors will be responsible for this work in respective enterprises under their control, according to their different trades. Plant directors or managers will be responsible for this work in their respective enterprises. When a deficit-ridden enterprise cannot meet the target assigned by the state on the reduction of deficits, because of poor management or insufficient efforts at cutting down deficits, its director or manager will be held responsible for the failure, and subject to disciplinary action, which could be as severe as dismissal from his position.
2. It is necessary to pay close attention to implementing the task of reducing deficits and increasing profits. The targets for 1984 are, on the premise that the state economic plan is fulfilled, to basically eliminate deficits caused by poor management, reduce deficits caused by the policy, and strive to increase the profit rate of profitable enterprises by the end of this year. Deficit-ridden state industrial enterprises must reduce their deficits by 30 percent over last year, while cutting down the cost of comparable products by 2 percent. Deficit-ridden state commercial enterprises must reduce deficits by 10 percent, while cutting down the expenditure by 2.2 percent. State grain enterprises must reduce deficits caused by poor management by 9.5 percent over last year, and grain and oil industrial and transport enterprises must get rid of all deficits. Supply and marketing cooperatives, at and above county level, must reduce deficits by 10 percent over last year. Supply and marketing enterprises of agricultural, animal husbandry, aquatic, and farm machinery products must reduce deficits by 30 percent. Construction enterprises must reduce deficits by 46 percent.
3. It is necessary to adopt appropriate policy measures to help enterprises reduce deficits and increase profits. Aside from coal mines, enterprises consuming a great deal of material and suffering grave deficits, with an annual deficit exceeding the total amount of wages, must stop production and undergo consolidation. It is necessary to first stop supply of energy sources, raw and semi-finished materials, and bank loans to them, and then study measures for solving their problems. Enterprises which have succeeded

in stopping deficits and started to earn profits within the prescribed time will be able to receive the deficit subsidy previously approved, while retaining profits for the year. Those which have failed to do so will not be eligible for the deficit subsidy, and will have to shut down, suspend operations, amalgamate with others, or switch to the manufacture of other products. Enterprises with deficits caused by poor management cannot receive the certificate of passing consolidation. It is necessary to take active measures to help enterprises with potential to carry out joint operations, or coordination, with enterprises producing famous-brand quality goods, or to undergo technical transformation, in order to manufacture famous-brand quality goods. Finance departments and departments in charge will review enterprises with deficits caused by the policy, and set a ceiling on deficits on a case-by-case basis; enterprises will not receive a subsidy for the portion of deficits exceeding the ceiling, but will be able to retain a portion of the reduced deficits. Aside from special cases approved by higher authorities, no subsidy will be paid to enterprises which have started to suffer deficits recently, and to newly-incurred deficits of old deficit-ridden enterprises. Enterprises which produce famous-brand goods, but suffer deficits because of inadequate equipment and outdated technology, may receive, ahead of time, the deficit subsidy already approved for the year for carrying out technical transformation. Supply and marketing cooperatives, and commercial and foreign trade enterprises must strictly enforce the state price policy in purchasing agricultural and subsidiary products and manufactured goods, and earnestly eliminate unhealthy practices of giving subsidies, higher prices, and "returned profits" on farm and subsidiary produce. Enterprises which fail to fulfill the annual target to reduce deficits cannot issue bonuses for the year. Enterprises which stop deficits and start to earn profits ahead of schedule will be commended and given awards.

4. It is necessary to pay keen attention to major profitable or deficit-ridden enterprises, and unprofitable products from profitable enterprises. All localities and departments must regard their major deficit-ridden enterprises as the focal point for enterprise consolidation, analyze causes of deficits in each enterprise, and send capable cadres to help the enterprises stop deficits within the time limit. Enterprises which have produced unmarketable goods, been unable to switch to the manufacture of other products or carry out technical transformation, and suffered deficits over a protracted period, must be shut down. At the same time, equal attention must be paid to major profitable enterprises of each locality or department, the key to raising economic results and increasing financial revenues. It is necessary to set a target for lowering the cost and expenditure for all profitable enterprises. It is also necessary to analyze, one by one, unprofitable products in profitable enterprises, formulate plan for stopping losses, according to the merits of each case, and take effective measures to stop losses. Profitable enterprises should not be allowed to offset losses with profits earned from other products.

5. It is necessary to reinforce financial and economic discipline. Enterprises violating discipline should, in addition to turning over embezzled state revenues, be fined in accordance with the law; the fines should be

paid with the enterprise's own funds. Administrative action should be taken against personnel involved, according to the degree of the seriousness of the violation. A person directly responsible for the violation cannot receive bonuses for the year, and will be fined an amount less than 3 months' wages. Financial and accounting personnel, who take part in the violation, or do not resist or report to higher authorities, will be charged with the same error as the personnel directly responsible for the violation. Heavier punishment will be given to those who retaliate against the informer. Those who violate criminal law must be handed over to judicial organs.

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ECONOMIC MANAGEMENT

IMPROVEMENT IN BUSINESS MANAGEMENT URGED

OW030637 Beijing XINHUA Domestic Service in Chinese 1227 GMT 2 May 84

[Excerpt] Beijing, 2 May (XINHUA)--A note from the office of the Commission for Guiding Party Rectification of the CPC Central Committee: In the course of party rectification, the CPC Committee of the Beijing Municipal Foreign Trade Corporation has dealt with typical cases and conspicuous problems of serious dereliction of duty in foreign trade management, and paid attention to correcting bureaucracy, which is characterized by irresponsibility to the party and the people. Its practice and experience merit our attention.

The campaign against economic crimes, which began in 1982, is mainly aimed at the crime of embezzlement. It has achieved departments at various levels usually pay little attention to, and fail to make effective investigation of, huge losses to the state caused by bureaucratic business management. This situation should not continue, otherwise our efforts to open further to the outside world, enliven the domestic economy, and create a new situation in the modernization program will be obstructed. The party committees and leading party groups in all localities and departments are urged to proceed from reality, seriously investigate and handle cases of huge losses caused by poor management, conscientiously sum up experience and lessons, and promote reform of the management system and improvement in leaders' working style. All departments should conduct a serious examination of the rules and regulations concerning their work, and readjust any rules and regulations which contradict the lines of the 3d plenary session of the 11th party Central Committee and the 12th Party National Congress, so that party rectification promotes the economy, and the economy follows the results of party rectification. Bureaucrats who seriously neglect their duties should be investigated and given due punishment, including that of removal from office and dismissal from party membership. Party committees and leading party groups in all localities and departments should quickly promote to leading posts outstanding personnel, who have emerged in practical work, who can correctly implement the party's line, principles and policies, and who are devoted to work, strive to gain professional proficiency, and have the courage to reform and introduce new ideas. If newly promoted personnel make mistakes due to lack of experience, party committees and leading party groups should, starting from cherishing them, enthusiastically help them correct, and draw lessons from, mistakes, and encourage them to advance vigorously. (End of note)

According to a 28 April BEIJING RIBAO report: The CPC Committee of the Beijing Municipal Foreign Trade Corporation, proceeding from realities in the foreign trade work, has exposed a host of problems concerning economic work in the course of party rectification. By opposing bureaucracy, the party committee has achieved a breakthrough in correcting mistakes in the course of party rectification. It has also helped foreign trade enterprises correct mistakes in the course of party rectification, or before undertaking party rectification, and has thus facilitated it.

A large number of problems have been exposed in the course of the campaign against economic crimes and party rectification. Those problems show that very serious bureaucratism, characterized by irresponsibility to the party and the people, exists among foreign trade enterprises in Beijing Municipality, and it has caused huge economic losses to the state. Examples follow:

"Export without billing"--The Chemicals Import-Export Company sold to a Hong Kong firm 692 metric tons of high-pressure polyethylene, worth U.S.\$498,000. However, the sale was not billed, due to bureaucracy and negligence in billing and auditing, involving 14 persons of the storage and shipment, the business, and the accounting sections.

"Import without receiving the shipment"--The Light Industrial Products Import-Export Company imported from the United States 94,000 feet of leather, worth 458,000 yuan. The staff personnel made out a stock entry notice before the shipment was received, and the warehouse keeper signed the receipt without having actually stored the shipment. As a result, the shipment was auctioned by customs, because it was kept in the harbor warehouse, and no one claimed it for a long time.

The Chemicals Import-Export Company sold 65 metric tons of [word indistinct] rubber to a foreign firm. The customer issued a letter of credit, which contained terms different from those prescribed in original contract. However, the company shipped the goods before it received a revised letter of credit. The customer refused to accept the shipment, and the goods were auctioned by the foreign customs. As a result, the delinquent bill, freight, and insurance together caused a serious loss of 278,000 yuan.

CSO: 4006/519

ECONOMIC MANAGEMENT

GUANGMING RIBAO ON STATE'S MANAGEMENT OF ECONOMY

HK031257 Beijing GUANGMING RIBAO in Chinese 22 Apr 84 p 3

["Economic Trends" column by Gu Xiang [0657 5046]: "How the State Organizes and Manages the National Economy"]

[Text] At the socialist stage, the state's function of organizing and managing the national economy should be strengthened rather than being weakened. In view of the previous drawbacks in our economic system, when organizing and managing the national economy in the future, the state should continue to ensure the leading role of planned management while giving a supplementary role to market mechanism, should continue to maintain control of macroeconomic activities while relaxing its control of microeconomic activities, and should adhere to the principle of keeping a tight hold over macroeconomic management and decentralizing microeconomic management. These general principles have been basically accepted by most people. However, the questions yet to be settled are: How should these principles be put into concrete practice? How should the state organize and manage the national economy? These questions concern the priorities of the state's planned management over the national economy, the range of the state's functions in organizing and managing the economy, the way to implement the principle of exercising multilevel management under the guidance of a unified plan, and the main form and system through which the state can effectively exercise planned management over the national economy.

In view of the problems in our planned management in the past, some comrades pointed out: It is incorrect to regard the management of the socialist economy merely as the management of the state-owned economy or the management of the state-run enterprises. In the past, priority in planned management was only given to heavy industry and capital construction, and the management of other economic sectors and other reproduction links was neglected. The current reform of the planned management system should change this state of affairs. Comprehensive planned management should be exercised over all economic sectors in society, and the practice of only giving one-sided priority to the management of the state-owned economy should be corrected.

In regard to the priority considerations in state economic management, there are mainly three opinions: 1) Priority should be given to the management of major activities in various reproduction links. In particular, the management of capital construction must be strengthened. As our experience

over the past 30 years in economic construction shows, as long as we properly manage the key link of capital construction, the economy as a whole will be able to develop steadily. Conversely, if capital construction gets out of control, financial deficits will be caused, production will become ill-coordinated, and the economy will not be able to develop steadily.

In order to ensure the state's priority construction projects, the state must directly control a quantity of material and financial resources and must directly manage a number of large-scale backbone enterprises. 2) The state's planned management of the national economy should first ensure a comprehensive balance and ensure appropriate ratios between major economic sectors. Economic planning should ensure the reasonable distribution of the national income and social wealth and should ensure the balance between state revenue and expenditure, the credit balance, the balance between supply and demand of materials, and the foreign exchange balance. In particular, through planned management, the state must effectively control the growth in fixed-assets investment and in consumption funds. However, the state can give more room for maneuver to enterprises in arranging their operations. 3) There should be two priorities in the state's economic management: one is that the state must control the gross demand in society and maintain the balance between the value of gross supply and that of gross demand; and the other is that the state should maintain a reasonable industrial structure and ensure that the industrial structure and the product structure conform to social demand. The question of priority in state economic management also related to such theoretical issues as the relationship between macro-economic planning and the maintenance of a comprehensive balance in the economy, the relationship between the balance in value and the balance in kind, the relationship between long-term plans and yearly plans, and the improvement and reform of planned management of capital construction.

Another question to be settled is that of under which system the state can exercise effective management over the national economy. Proposed management systems can be divided into three categories: 1) The management mainly through various central departments. Under this system, large-scale enterprises are directly subject to the management of relevant central departments, which centralize the use and distribution of human, material, and financial resources and the handling of production, purchasing, and marketing in their respective industries throughout the country. Investment and materials needed by an industry have to be distributed by the state to the department in charge. 2) The management mainly through local authorities. Under this system, enterprises are mainly managed by local authorities, which are also responsible for commercial activities and material distribution in the areas within their jurisdiction. They also arrange and manage local transportation, urban construction, and the distribution of productive forces. 3) The management mainly through large cities. Under this management system, all enterprises, whether big or small, are managed by the authorities of the cities in which they are located. In these cities, distribution centers are set up to handle the distribution of production materials and consumer goods, and there are also markets for all kinds of transactions. Thus, cities can act as production and circulation centers, and regional economic networks can be formed, with cities as their centers.

Another opinion holds that the key issue is to properly handle the relationship between the state and the enterprise. The responsibility of the enterprise is to conduct production and operation; while the responsibility of the state is to coordinate, inspect, and supervise the economic activities of various enterprises and to provide services to them. The state cannot replace the enterprise in conducting concrete production, purchasing, and marketing. Therefore, the government's function of economic management must be separated from the enterprise's function of conducting concrete production and operation. This should be the basis on which powers and functions of economic management are divided among central departments, localities, and cities. This does not mean that economic targets and production targets for some goods should be divided up among central departments, localities, and cities, because a product is always subject to different kinds of targets. For example, the production of coal is subject to both mandatory planned targets and guidance targets, so it is not easy to divide the management responsibility for coal production on the basis of targets. Some comrades propose that management responsibility be divided according to the tasks specified by plans. Economic strategic objectives, long-term economic and social development plans, major macroeconomic ratios and balanced relations, the formulation of important economic policies, and the use of economic levers should come within the jurisdiction of the State Planning Commission; while concrete production and operation and detailed plans for production and operation should be handled by enterprises themselves. Central departments and local planning departments should better serve and oversee production and operation handled by the enterprises. At the same time, they should do a good job of distributing productive forces in various departments and localities, working out development plans for various trades, and organizing the development of new technology. That is, each should perform its own duty well.

When discussing what means the state should use to organize and manage the economy, people lay emphasis on different areas. One opinion holds that the socialist economy is a planned economy, so the main means for ensuring the fulfillment of planned targets is the implementation of mandatory plans. Particularly when the state financial situation is still not good enough, with the existence of financial deficits and material shortfalls, the state should rely mainly on mandatory plans to increase revenue and to organize the distribution and supply of materials. Therefore, it is necessary to emphasize the seriousness of the plans; otherwise, financial and material resources will become further decentralized and it will be more difficult to fulfill state plans. Another opinion holds that apart from a small number of vital consumer goods (such as grain, cotton, and edible oils) and important production materials (such as coal, petroleum, electricity, steel products, and cement), which should be subject to compulsory plans, the production of most ordinary goods should mainly be handled through guidance plans and economic levers, and more economic means should be used to regulate the production in these areas. Still another opinion holds that the state has economic, administrative, and legal means to manage the economy, and none of these means can be replaced by any other means. It is also inadvisable to say which means should play a leading role and which means should only act as a supplement. All these means should be used in a well-coordinated and comprehensive way. Only thus can the national economy be effectively managed.

RENMIN RIBAO IN RUNNING COLLECTIVE INDUSTRY

HK100846 Beijing RENMIN RIBAO in Chinese 7 May 84 p 5

[Article by Xing Yichu [6717 6654 0443], Liu Gang [0491 0474], and Wang Guocheng [3769 0948 6134]: "Properly Run Collective Industry in Accordance With the Characteristics of Collective Economy"]

[Text] Industry under township collective ownership is one of the basic forms of China's socialist economy, and occupies an important position in the national economy. Since the 3d Plenary Session of the 11th CPC Central Committee, the party and state have adopted the policy of earnestly supporting township collective economy so as to develop collective industry. However, due to longstanding, erroneous "leftist" influence, problems still exist in the management system in collective industry and its enterprises. These problems are as follows: 1) The collective economy is being belittled, and developing township collective economy is regarded merely as an expedient measure to solve the problem of employment, instead of an important component of socialism with Chinese characteristics. 2) The system of unified income and expenditure, unified management, and unified responsibility for losses and profits is used in place of the system of independent accounting and sole responsibility for losses and profits. 3) Standards for wages, bonuses, and other benefits in collective enterprises should be fixed by the state organs concerned, and these standards should be lower than those in state-run enterprises. 4) The ownership rights of collective enterprises are not respected and many departments ask collective enterprises for things and indiscriminately transfer material resources from collective enterprises. 5) Some collective enterprises run with the support of state enterprises have not established their own system and are confused with state enterprises in the use of labor force and in the economic system. 6) The method of appointing and assigning cadres in collective enterprises is used in place of the system of democratic election of cadres. 7) Collective enterprises are looked down upon. Insofar as using cadres, assigning college graduates, inviting applicants, and supplying materials are concerned, collective enterprises are not treated equally as state-run enterprises. 8) Excessive restrictions have been imposed on the operational scope and forms of collective enterprises. 9) Administrative organs have replaced the joint economic organizations of collective enterprises. 10) Due to the long-term propagation of the theory of "large in size and collective in nature," some comrades still maintain that the higher the degree of public

ownership of production materials, the more superior the ownership, and that all people ownership is superior to collective ownership. As a result, they fail to understand the nature, position, and role of township collective industry and economy.

In order to consolidate and develop collective industry and bring its role in the national economy into full play, it is necessary to eradicate "leftist" influence, rectify and reform the management system of collective industrial enterprises, and properly run collective enterprises in accordance with the characteristics of the collective economy.

First, collective enterprises should adopt various operational forms according to their own characteristics and in line with the principle of assuming sole responsibility for their losses and profits. These various forms are as follows: 1) The form of enterprises owned by the collective and run by enterprises themselves, which is the main operational form of collective enterprises; 2) the form of enterprises owned by combined cooperatives and run by enterprises themselves, such as running cooperative factories; 3) the form of enterprises owned by the collective and run in a joint manner, such as several main factories jointly running enterprises; 4) the form of enterprises owned and run by combined cooperatives, such as establishing supply and marketing managerial departments and the bases for raw and semi-finished materials; and 5) the form of enterprises owned by the collective and run in a decentralized manner, such as differentiating between accounting in sales departments and that in workshops.

The fundamental management and administration system of township collective industrial enterprises is to exercise independent accounting and to assume sole responsibility for their own losses and profits. The management and administration of production in collective industrial enterprises and the distribution of results from labor should be carried out by all members of collective industrial enterprises. This will enable staff and workers of collective industrial enterprises to enhance their responsibility to properly run enterprises, to care for collective production, to take an active part in managing enterprises, to fully tap their potentials, to rationally use capital, and to raise economic results.

Second, collective enterprises should closely combine their consolidation and reform so as to make these complement each other. A prominent problem in collective industrial enterprises is that their management and administration level is low and that some enterprises are managed in a disorderly manner. Therefore, it is necessary to carry out consolidation in collective industrial enterprises. Consolidation can be carried out in two ways: First, the content of consolidation is the same as that in state-run enterprises, but the degree of and requirements for consolidation are different from those in state-run enterprises. For example, it is necessary to consolidate the leading bodies of enterprises, to improve technological quality and the quality of the staff and worker contingent, to enhance the level of management, administration, and policymaking, to do solid, basic work in various areas, and to exercise strict financial management. Second, consolidation should be carried out in accordance with the characteristics

of collective enterprises. It is necessary to set criteria for examining and accepting consolidated collective enterprises, and the method for examining and accepting consolidated state-run enterprises should not be followed indiscriminately. It is necessary to improve the quality of collective enterprises through consolidation and to raise the basic management of enterprises and their knowledge of science and technology to a new level.

Collective enterprises should use consolidation to promote reform and use reform to bring forward consolidation. Now many collective enterprises have started carrying out constructive reform. Collective enterprises in Shanghai, Jilin, Liaoning, Shandong, and Henan have achieved good results in implementing the system of contracted responsibilities. For example, they have implemented the system of independent accounting and assuming sole responsibility for their own losses and profits, carried out the principle of from each according to his work and more pay for more work, promoted democratic management of enterprises, set up democratic management organs, and established the system of democratic election of leaders. In addition, the carrying out of the contract system will enable the in-house departments of enterprises to establish an economic responsibility system, enable everyone to be responsible for his own work, and promote consolidation work of enterprises.

The purpose of implementing the contract system is to solve these two problems: The problem of "eating from the same big pot" and egalitarianism and the problem of tight and excessive control over the implementation of the economic management system. The crux for implementing the contract system is to properly handle the economic interests between the state, the collective, and the individual in line with the principle that the state should get the largest share of profits, the collective a large share, and the individual the remainder. The practice of collective enterprises delivering taxes to the state according to state tax rates has guaranteed that the state can get the largest share of profits. The problem now is how to distribute the profits after the delivery of taxes. In distributing these profits, it is necessary to correctly handle the relationships between the collective and the individual and between individuals. It is necessary to closely combine the economic interests of staff and workers, the operational results of enterprises, and the individual's contributions to labor. On the basis of developing production and raising economic results, it is necessary to enable the enterprise to get a large share without reducing the profits of the individual, so as to bring into play the initiative of the enterprise and its staff and workers in production.

Third, macroeconomy should be properly managed and microeconomy should be enlivened. It is necessary to bring into the orbit of state and local plans some of the products produced by collective industrial enterprises which have close ties with the national economy and the people's livelihood, state allocated products, and mass export products. Some daily necessities can be produced on simple machines in a simple manner and can be easily limited. This will enable people to carry out mass production of these products and will bring about a serious waste of labor and material resources. Therefore, it is necessary for collective industrial enterprises to work out different plans for different trades and products so as to strengthen state plans and guidance.

It is necessary to enliven the microeconomy. For a long time, due to the erroneous "leftist" influence, excessive control has been exercised over collective enterprises, and as a result, production has been hampered. Reform is being carried out in an orderly manner in state-run enterprises. Collective enterprises should all the more speed up their reform according to their characteristics, so that, under state plans and guidance, they can have the right to work out and readjust their production plans according to the needs of the market, do sell products which have been overproduced, products which have been produced from the materials they have obtained through their own channels, and new products produced on a trial basis, to recruit staff and workers according to their own needs, and to decide on the distribution of their profits according to state policy. In this way, the initiative of collective enterprises can be brought into full play and management and administration effectively carried out.

Fourth, it is necessary to stabilize the management organs of collective enterprises and to strengthen the staff and worker contingent. Since the founding of the PRC, the management organs of collective industrial enterprises have been in a disorganized and reorganized state three times. During each period of disorganization and reorganization, daily necessities were reduced, the staff and worker contingent was weakened, and cadres and staff and workers were uneasy. This has seriously affected the development of collective industry, the livelihood of the urban and rural people, and foreign trade. We should learn this historical lesson.

Rehabilitating, establishing, and stabilizing handicraft combined cooperatives will enable collective enterprises to implement the principles, policies, and decrees of the party and state, to run collective enterprises according to the characteristics of the collective economy, to reflect the opinions and needs of collective enterprises and their staff and workers in a timely manner, to protect the rights and interests of collective enterprises, and to fight against activities undermining the collective economy.

For a long time, the staff and worker contingent in collective industrial enterprises has been seriously unstable. It is necessary to stabilize this contingent and improve its quality. That collective industrial enterprises are lacking qualified technological personnel and that the managerial level of their leading cadres is very low are important factors affecting the development of collective industry. Therefore, it is necessary to train their staff and workers in a planned way and to constantly raise their political, cultural, technological, and professional level. In particular, it is necessary to pay attention to the training of cadres so as to enhance their managerial level. This is the basic condition for improving the management and administration of collective enterprises.

RENMIN RIBAO DISCUSSES LAW OF VALUE, REFORM

HK210717 Beijing RENMIN RIBAO in Chinese 14 May 84 p 5

[Article by Dong Fureng [5516 6534 4356]: "Questions Regarding the Law of Value and the Reform in the Economic System"--excerpted from JINGJI LILUN YU JINGJI GUANLI [Economic Theory and Economic Management] No 2, 1984]

[Text] In the reform of the economic system of our country, there is a question that needs to be resolved promptly, that is, how to make the law of value play an effective role in the socialist economy. The following discussions are confined to the scope of economy under the system of ownership by the whole people.

The law of value is a regulator in commodity production. Its role of regulation consists of two aspects: on the one hand, it gives an impetus to the commodity producers to improve their techniques and enhance labor productivity, there by reducing the time of labor needed in producing commodities; on the other hand, it gives an impetus to the commodity producers to distribute the total time of labor in society in proportion to the needs of society. These functions of the law of value apply to commodity production no matter what basis of ownership of the means of production it is carried out under. In order to make clear how these two aspects of the role of the law of value can be effectively applied in the socialist economy, it is necessary to give a simple introduction to the way in which the law of value performs these two aspects of functions in commodity production carried out on the basis of private ownership. In this respect, I should like to make some generalization on the following three points:

First, the law of value plays its role of regulation through regulating the economic interests of the commodity producers.

Second, the law of value plays its role of regulation in commodity production by means of the economic levers. And,

Third, in the economy of private ownership, the law of value regulates commodity production in such a way that it is conducted in an indirect manner through the markets after the transactions have been concluded.

In the socialist economy, the establishment of the public ownership of the means of production fundamentally changes the economic conditions by which the law of value plays its role, which leads to profound changes regarding the ways in which the law of value acts. In socialist commodity production, the law of value still plays the role of economizing on the time of labor and of distributing the total time of labor in society in proportion to the needs of society. However, from the practice in some countries and in the socialist construction of our country, it can be seen that under the original economic system, then roles of regulation of the law of value are far less sensitive and effective in the socialist commodity production than in the commodity production under the private ownership, and with regard to the requirements of the law of value, the commodity producers--the enterprises under the system of ownership by the whole people--show far less concern and keen response than the commodity producers under the private ownership. From the subjective point of view, this naturally has something to do with the theoretical negation of the existence of the law of value and the depreciation and misunderstanding of its functions, with the result that things are not done in accordance with the law of value; from an objective point of view, it is because the economic system, which is established under the guidance of the theory of negating the existence of the law of value, fails to form an economic condition under which the law of value can effectively and sensitively play the role of regulation in the socialist commodity production, and the society, the enterprises in particular, is required to act in accordance with the law of value. Here arise three important questions, which were not solved either theoretically or practically in the past, but which have to be satisfactorily solved in our reform of the economic system.

First, is it still necessary for the law of value to play its role of regulating the socialist economy through the regulation of the economic interests of the commodity producers--the enterprises?

We see that the establishment of the socialist system of ownership by the whole people gives birth to the common economic interests of the entire society, and various commodity producers--the enterprises--no longer treat each other as rivals in economic interests. This situation makes it possible for the society to consciously organize the economy under the system of ownership by the whole people in line with the requirements of the economic laws, including the law of value. This is an important way by which the law of value plays its role of regulation.

At the same time, the practice of many socialist countries and of our country tells us that since commodities are produced in the enterprises, the law of value has to rely on the regulation of the individual economic interests of various enterprises so as to effectively regulate the production of the enterprises and, consequently, regulate the production of the society. Without catering to the individual economic interests of the commodity producers--the enterprises, it is impossible for the law of value to assert its effective role of regulating the production in society.

We can often see that under the original economic system, some enterprises treat the centralized plan by the central authorities in such a way that they often retain part of their productive capacity, so that they can easily accomplish their tasks and at the same time avoid becoming a willing horse only to be "spurred" (the more rapidly their production increases, the higher planned targets they will get), and at the same time, they request from the society the input which exceeds their actual needs; they satisfy themselves with the fulfillment of the planned targets in terms of the output value and the quantity in production, without caring about the economic results, and the varieties, specifications, and quality of products, and some enterprises even resort to deception and fraud. This is because under the original economic system, the system of unified revenue and unified expenditure as well as unified purchase and centralized marketing makes it impossible or unnecessary for the enterprises to cater to the requirements of the law of value from the point of their own economic interests or from the point of combining their own interests with the common interests of the society. Based on similar considerations, the material and commercial departments are not required to care about whether their products under unified purchase and centralized marketing can meet the needs of the society.

Second, it is still necessary for the law of value to rely on the economic levers in order to play its role of regulating the socialist economy?

In the socialist economic system of ownership by the whole people, the formation of the common interests of the entire society enables society to arrange social production through the form of assigning directive targets no matter whether these targets are favorable to them or not. However, we often see that even if the administrative orders or directives are correct and conform to the requirements of the economic laws including the law of value, they are not always effective or fully effective. For example, when the departments in charge ask the enterprises to accomplish the task of producing a certain amount of total output value, the enterprises may pay little attention to the varieties and quality of products and the time of labor consumed, or even produce those products which are easy to produce, bring forth greater output value, but consume more materials, without caring about the needs of the society, or they may even use substandard products to make up the total output value. Judging from the many years of practice of our country and of other socialist countries, in order that the law of value can effectively regulate the socialist economy and promote the development of the socialist economy, it is essential to make use of various kinds of economic levers. Furthermore, in order that the economic levers can truly become the levers for the law of value to regulate the socialist economy, they must first link themselves with the economic interests of the commodity producers (mainly enterprises), so that they can become a connecting element to cater to the economic interests of all concerned; secondly, they must be able to regulate the economic interests of the specific aspects which each of them is connected with. If this is not the case, even if there are currency, price, rate of interest, cost, profit, wages, bonus, and others, they cannot become true economic levers, and consequently the law of value is not in a position to make use of them to effectively and sensitively regulate the socialist economy. For example, price is the most important economic lever by which the law of value plays its role; however, if price cannot reflect the quality of products,

if enterprises do not have their own economic interests, and if the level of price does not have a direct bearing on the economic interests of the enterprises, then the law of value will be unable to make use of price to effectively actuate the enterprises to enhance the quality of their products. Other economic levers act in a way similar to this.

Third, is it still necessary for the law of value to regulate socialist commodity production in an indirect way and after the transactions have been concluded?

After the establishment of the socialist system of ownership by the whole people, the labor of various enterprises has a direct social nature, the law of value can regulate social production directly and in advance, and it is possible for the society to consciously make use of the law of value to promote the development of the socialist economy, and always maintain the balance and coordination of economic development. However, practice shows that it is not sufficient to rely only on direct and advance calculation and regulation to realize economy in the time of labor and to distribute the social time of labor in proportion to the needs of society. As for socialist commodity production, it is still necessary for the law of value to conduct regulation indirectly and after the event. This indirect and after-the-event regulation is a complement to the direct and advance regulation, and helps evaluate the direct and advance regulation and timely rectify the mistakes in the direct and advance regulation, so as to enable the direct and advance calculation and regulations to conform more appropriately to the law of value and the requirements of other economic laws.

We can derive from the above discussions some considerations, so that some economic conditions are created in the reform of the economic system to enable the law of value to effectively play its role of regulation in the economy under the system of ownership by the whole people. Initially, the following points can be discussed:

First, it is necessary that the enterprises owned by the whole people should have their own economic interests; and at the same time, it is necessary to establish an economic system which incorporates the economic interests of various sectors which promote each other and at the same time condition each other.

The enterprises owned by the whole people may have and should have differences in terms of economic interests, that is, the well-run enterprises should enjoy greater economic interests, and the poorly-run enterprises should have less economic interests, or even sustain economic losses.

The nature of the enterprises owned by the whole people determines that their economic interests must be subordinated to the common economic interests of the entire society, and their production must conform to the objective of meeting the needs of society and its members, and it is not permissible for these enterprises to sacrifice the common economic interests of the society or go against the objective of socialist production in an attempt to increase

their own economic interests or to pass their economic losses onto the society. Therefore, in order that the law of value can regulate social production by means of economic interests, and conform to the needs of the socialist relations of production as well as the objective of socialist production, it is also necessary to establish a system of relations of economic interests, in which the local interests (including the interests of enterprises) are subordinated to the integral interests, the immediate interests are subordinated to the long-term interests, and the individual interests are subordinated to the collective interests, and under this premise, various kinds of economic interests can promote each other and condition each other. In order to promote their own interests, the enterprises must first promote the common interests of society, and should not realize this objective by harming the common interests of society (naturally they should not realize this objective by harming the interests of the consumers). In this system of relations of economic interests, the law of value regulates social production through regulating the economic interests, especially the economic interests of enterprises. Only in this system, can the law of value become effective and conform to the essential requirements of the socialist relations of production.

Second, it is necessary to have a whole set of economic levers by which the law of value can lay its role. These economic levers can not only link various kinds of relevant economic interests, and act in accordance with the requirements of the economic laws including the law of value, but also integrate themselves with each other so as to effectively regulate the economic interests of the relevant sectors.

From some experiments conducted in recent years in the reform of the economic system, we can see that if there is not a whole set of economic levers, and if a system which can make various kinds of economic interests promote each other and condition each other cannot be established among these economic levers, it will be impossible for the law of value to play its role effectively, or its role cannot make the economy develop along the path of socialism. For example, there is a wide gap between our price and value. In this case, price can hardly be used to evaluate to what extent the individual time of labor of different enterprises is needed by the society, and price is not in a position to reflect the actual relations of demand and supply. Under these circumstances, if price far exceeds value, the enterprises (or local organs or departments) often proceed from their own interests, and produce those commodities for which their individual time of labor consumed far exceeds the requisite social time of labor. By so doing, the enterprises (or local organs or departments) may gain benefits, but it will cause the society to sustain losses. In this case, if we have an appropriate lever of taxation, we can levy a high rate of commodity tax on those commodities which fetch high prices and great profits, which can condition or restrain the economic interests of the enterprises, thereby limiting the production of those products for which the individual time of labor far exceeds the requisite social time of labor. However, because price has not been regulated, and there is not a corresponding and appropriate level of taxation, the law of value fails to effectively regulate the production of these commodities.

The nature and function of various kinds of economic levers are quite different, and there are various kinds of complicated relations among these economic levers, which necessitates the creation of different economic conditions for these economic levers to play their role, and for them to act in an integrated manner. We should give consideration to the direction of their functions as well as their effect on the functions of the other economic levers. For example, we know that raising the price of rapeseed can promote the production of rapeseed, but at the same time, we also need to know the relations between the raising of price and the degree of incentive, and to know what kind of influence it will exert on the functions of other economic levers (for example, the price of grain). In the reform of the economic system, it merits our serious consideration to find a way to make various kinds of economic levers adequately play their role in an integrated manner.

Third, while the law of value directly regulates the social production in advance, it should be able to conduct effective regulation indirectly and afterward. In the new economic system, these two aspects should and can be integrated so that they can complement each other. No matter what kind of regulation is conducted, it should be carried out through the regulation of the economic interests and through making use of the economic levers. We must not equate the direct and advance regulation with administrative order and administrative intervention. If necessary, it may make use of administrative orders and directives, thus becoming administrative intervention. However, according to past practice, it must be carried out mainly through the regulation of the economic interests, and through the help of economic levers. Indirect and after-the-event regulation should also be carried out through the regulation of economic interests and through the help of economic levers, because it is realized through the market and through exchange. On the market, and in the exchange, the economic interests of various sectors would regulate themselves in accordance with the requirements of the law of value, and various kinds of economic levers would act in accordance with the requirements of the law of value. Thus, in the direct and advance regulation, the appropriateness of the conscious regulation of economic interests and the conscious utilization of economic levers by the society would be examined and rectified by indirect and after-the-event regulation.

These two kinds of regulations should be and can be integrated with each other. Both should give play to the motive force of economic interests and should make use of economic levers, which is the basis for their integration. And the economic levers should become the link in the integration. If they are well integrated, it will enable the law of value to regulate the social production in an effective and sensitive manner.

INDUSTRY

INDUSTRIAL COMPANIES' ROLE IN TECHNICAL PROGRESS

HK010835 Beijing RENMIN RIBAO in Chinese 23 Apr 84 p 5

[Article by Deng Ronglin: "Give Play to the Role of Industrial Companies in Promoting Technical Progress"]

[Text] From the first day of their emergence, industrial companies, which are organizations engaging in industrial production and management, have been closely related to the technical revolution in industry. Judging from the trend of development in the developed countries over the past few years, in the new technological revolution industrial companies have the following new characteristics: 1) They can speed up the absorption and transfer of industrial technology, professional knowledge, and the art of management in the process of producing advanced and high-level material products, increase value through absorbing knowledge, and turn knowledge into a decisive factor for enhancing productive forces and ability in competition and increasing economic achievements. 2) The number of small factories has been increased while giving play to the leading role of large factories. The quantity of spare parts purchased by large factories from small factories has been increasing, and the highly specialized small factories have been providing the entire society with more and more commodities and productive services. The factories of the modern and newly emerged industrial field are now developing toward the orientation of being smaller and more specialized to produce diverse products. 3) On the premise that the total number of staff and workers in the industrial companies is not increased, the personnel structure has been changed in accordance with the needs of the technological revolution. As a result, fewer people are engaged in the direct production of material products, and more have become computer programmers, teachers, staff, technicians, and various kinds of information workers. There is a great need for modern technicians and professional workers. 4) The organizational form of industrial companies has been developed from the previous form of trust, which was characterized by a vertical combination of large-scale and heavy industrial companies, to the form of industrial companies, characterized by a horizontal combination and the network system. A number of small electronics industrial companies, which engage in both production and scientific research, have appeared one after another under a multitude of names. 5) The internal organizational structure and management system of the industrial companies have been reformed, and unnecessary administrative structures, which obstructed the development of production, and

unnecessary staff in overstaffed organizations have been diminished, so as to suit the rapid development of modern advanced technology. 6) Technical and economic relations between the internal and external industrial companies have been strengthened. These new trends of the industrial companies of the developed countries in promoting technical progress and promoting the new technological revolution merit our conscientious study.

Over the past 30-odd years since liberation, we have followed a tortuous road in establishing and developing industrial companies. In the mid-1950's, Shanghai, Tianjin, and some other cities began to establish China's first group of industrial companies. This played a positive role at that time in the socialist transformation and in fulfilling the tasks of the First 5-year Plan; however, they were not consolidated and developed. In the early 1960's, Beijing, Shanghai, Tianjin, and some other provinces, cities, and autonomous regions tried to establish some national and regional industrial companies. They made certain achievements, but were later forced to stop. Since the late 1970's, especially since the winter of 1978, various forms of industrial companies have been gradually established in the whole nation and remarkable achievements have been made. However, there are still many difficulties and problems in these companies at present. It is due to the obstruction and sabotage of the "leftist" mistakes and the "Great Cultural Revolution" that we have followed such a tortuous path in establishing and developing industrial companies in our country. This also has something to do with our shortcomings in the economic management system and our underestimation of the role of industrial companies in promoting technical progress. After the 3d Plenary Session of the 11th CPC Central Committee, which corrected things that had been thrown into disorder, the party worked out the line, policies, and principles at its 12th CPC National Congress for creating a new situation in all fields of socialist modernization. Thus, unprecedentedly favorable conditions were created for the development of industrial companies in our country.

The industrial company is a form of rational economic integration of scattered factories on the basis of specialization and coordination. Since the founding of the state, China's industrial production has been developing at a high speed, and the number of factories has greatly increased. There are already more than 300,000 factories in the cities and industrial areas. Adding various kinds of factories in the countryside, there is a total of more than a million. These factories have become more specialized and cooperate more closely with one another, and their production has become more socialized. The continuous progress of science and technology requires that thousands upon thousands of scattered factories be integrated with one another in accordance with the inherent law of economic activities and become various forms of industrial companies, so that they can suit the needs of the development of modern industry and technology. The practice of China's industrial companies over the past few years shows that in order to promote production and work it is necessary to attach great importance to utilizing the positive role of industrial companies in technical progress, to raising the technological level of the factories, and to stimulating the development

of production so that these companies can be consolidated and developed. If the establishment of industrial companies is regarded merely as a change and readjustment of organization, and the role of industrial companies in technical progress is neglected, if there are changes in organizational form without any changes in technology, and if enthusiasm in production is dampened as a result of changes in organization, then the existence of these companies will become unnecessary. These experiences and lessons in organizing and establishing industrial companies tell us that to give full play to the role of industrial companies in technical progress will be a common and universal problem in developing industrial companies in the future.

In the process of reforming the economic management system and reorganizing industry in accordance with the principle of carrying out cooperation among specialized companies, many industrial departments and areas have adopted measures to carry out necessary consolidation in the original industrial companies. In order to make industrial companies promote technical progress, the reorganization and readjustment of these companies must reflect the inherent technical and economic relations among the factories and must be conducive to raising the level of specialized production, to the adoption of new technology and techniques, and to promoting the development of social productive forces. It is necessary to prevent these companies from becoming "big and comprehensive" organizations. Some people think that if the scale of a company is larger, the production of that company will be more socialized. They attempt to merge all factories in their localities, even including those units that have no inherent relations with industrial companies, into one big industrial company. As a result, the industrial company becomes a "company of all trades," and the previous mistake of "factories of all trades" is repeated. Technical progress is obstructed and economic results are affected. The degree of socialization of modern industrial companies is closely linked with their level of specialization. The higher their level of specialized production, the greater their progress in technology and the better their results in striving for high productivity and quality at low cost. An important reason why some industrial companies are unable to play their due role in promoting technical progress is that these companies are not rationally and scientifically organized. They are fettered by old conventions of the former administrative and management system.

The internal organizational setup of industrial companies is another practical problem directly concerned with whether these companies can play their role in promoting technical progress. Since industrial companies are economic organizations, they must concentrate their main energies on promoting technical progress and the development of social productive forces. The organizational setup of these companies should be conducive to fulfilling this central task. It is necessary to transfer a great deal of administrative and public affairs handled by the industrial companies at present to social organizations specialized in this work and to other service organizations in accordance with the needs of technical progress and socialized mass production, to streamline some administrative organizations within the companies, and to strengthen scientific research and information organizations so that the organizational setup of these companies can suit

the rapid development of modern science and technology. Compared with factories, it is more necessary and possible for the industrial companies to establish their own scientific research organizations so that these companies can become a combination of scientific research, production, and management units. The scientific research organizations in the companies must give priority to the study of applied science and make their achievements in scientific research serve the improvement of technology and the development of production. Besides establishing their own scientific research organizations, the industrial companies must also strengthen their cooperation with universities, colleges, and scientific research departments so as to raise their research, technological, and production levels with the help of these research forces in society.

Doing a good job in promoting the development of science and technology in industrial companies is an important component part of promoting technical progress and the development of production. The development of science and technology includes popularizing scientific research achievements in factories and tackling key technical problems through joint efforts of scientific research organizations and production units. The development of science and technology, which is aimed at discovering new technology and techniques and popularizing them in factories, is different from the engineering and technical work in factories, which is aimed at solving concrete technical and technological problems in production. Therefore, the work of developing science and technology is also a kind of research work, or exploitation and research, as some people have called it. Since the work of developing science and technology is a kind of research work concerning certain technology, products, and techniques, it is therefore more definite and concrete than the research of applied sciences.

In foreign countries the research of applied science for industrial companies is usually carried out by scientific research organizations, and the work of developing science and technology is usually carried out by the branch companies. Proceeding from the realities of China's industrial companies, both companies and factories must do well in the work of developing science and technology. At present, although the scientific research organizations of some companies and the engineers and technicians of some factories are also engaged in popularizing certain achievements in scientific and technological research, as they have not yet grasped it well as a particular job, a large number of achievements in scientific research have not been popularized and applied in production, and forces have not been organized to tackle a great number of key technical problems in factories. So, companies and factories must organize joint specialized groups to develop science and technology. The task for these groups is to carry out investigation, study, analysis, and appraisal of the achievements in scientific research in their units, to adopt effective measures to popularize these achievements in accordance with the needs of production, and to inform the scientific research organizations of the existing technical problems so as to organize forces to tackle these problems and to integrate scientific research work with production.

As the industrial companies in our country differ greatly in technology, in the course of promoting technical progress it is necessary to deal correctly with the relations between traditional and advanced techniques. This is an important guarantee for doing a good job in developing science and technology. Our industrial companies must suit the new tide of technical revolution and do their best to absorb the achievements of advanced technology. They must develop technology-intensive products and quicken their pace of technical progress. At the same time, they must select, through technical reform, the techniques that suit the companies' concrete conditions and bring their technical superiority and production potential into play, so as to increase the variety and quality of their products, reduce costs, and produce more competitive products with specific characteristics. In absorbing advanced technology or in transforming traditional technology, the key lies in whether the companies are able to get various kinds of technical and economic information, to keep abreast of current developments in technology at home and abroad, and to discover the needs of society and changes in the market, so that their technology and products can suit the needs of both internal and external markets. The new technical information will become new pressure, motivating force, and strength for the industrial companies in promoting technical progress and help the formation of new productive forces.

Training talented people as quickly as possible is a decisive factor in promoting technical progress and the development of production in industrial companies. Many companies are now training talented people through various methods, such as sending people to study in universities, colleges, and scientific research departments, inviting specialists and scholars to give lectures in the companies, running study classes and other forms of professional training classes analogous to universities, colleges, or technical secondary schools, and encouraging cadres and workers to engage in after work study or self-teaching study. They have achieved initial successes in this respect. However, the phenomenon of being short of talented people still exists widely in the industrial companies. Although these companies can get a number of talented people from the educational departments, such as universities and colleges, this cannot replace the work of training talented people by the industrial companies themselves. The number of university and college graduates assigned to industrial companies each year is limited. It cannot satisfy the needs of the development of these companies. On the other hand, the basic knowledge these graduates acquired from schools has yet to be applied and substantiated in practice. Especially in the present situation, in which modern science and technology are developing with each passing day, industrial companies must attach greater importance to renewing the knowledge of their scientists and technicians. The rapid development of modern science and technology has set new demands on the entire personnel in industrial companies, including managers, factory directors, and apprentices. We must seize the present opportunity to shorten the period for renewing knowledge and win the initiative in promoting technical progress. In training talented people, such as managers and information and technical workers, and in renewing their knowledge, the industrial companies must follow the guiding ideology of "facing modernization, facing the world, and facing the future." It is not only necessary to renew the knowledge of university and college graduates so that they can become high-level technicians, but also necessary to raise the cultural and technical levels of the workers, to discover outstanding ones, and to improve the knowledge structure of entire worker contingent.

INDUSTRY

INDUSTRIAL PRODUCTION IMPROVES IN 1984

OW220629 Beijing XINHUA Domestic Service in Chinese 0300 GMT 19 May 84

[By reporter Chen Naijin]

[Text] Beijing, 19 May (XINHUA)--According to the Ministry of Finance and the State Statistical Bureau, China's industrial production during the first 4 months of this year showed very good results. The margin of growth was larger, for both profits realized and tax and profit delivered to the state, than for output value.

In the period between January and April this year, total industrial output value of the country as a whole reached 211.75 billion yuan, up 11.7 percent compared with the same 1983 period. The output value became proportionately more balanced between heavy and light industries. Development of the energy industry was faster, showing an 8.1 percent growth increase over the same period of last year. Of the 100 major products assessed by the state, 85 showed an output increase compared with the same 1983 period.

There was a marked improvement in economic results. Compared with the same period in 1983, all state industrial enterprises included in the budget registered an average increase of 10.6 percent in total output value, 10.5 percent in income from product sales, 15.4 percent in profits earned, and 11.2 percent in the amount of tax and profits delivered to the state. This marked a change in the situation in existence for many years, in which the growth rate of profits earned and tax and profits delivered to the state has been lower than that of output in industrial production.

Since the beginning of this year, leaders at all levels have focused their attention on the need to shift industrial production onto the course of taking economic results as the central line. Acting in accordance with the specific conditions in their localities and departments, they have taken measures to actively make up deficits and increase surpluses. A total of 24 provinces, municipalities and autonomous regions, including Guangdong, Sichuan, Tianjin, Liaoning and Shaanxi, and 4 departments, including that of the Ministry of Metallurgical Industry and the Ministry of Water Conservancy and Power, achieved the goal of seeing a larger margin of increase in income than that of production during the first 4 months of this year. The production of machinery, ferrous metals, nonferrous metals, petroleum, chemicals,

petrochemicals, and other heavy industrial products showed a faster growth rate, and their marketing was also fairly good. The electric and machinery products serving agriculture, the energy industry, communications and transport showed a large output increase. In addition, good link-up between production and marketing has reduced the inventories of these products. As a result, the enterprises producing these products were able to log a greater increase in profits, and in the tax and profits delivered to the state, than in output. The output of beer, television sets and radios all increased by more than 30 percent.

An analysis by the concerned departments reveals that industrial production during the first 4 months of this year was not problem-free. Problems were mainly in the continued keen shortage in the supply of energy and raw materials, and in the services of communications and transport, in the rise of constant products' costs in state industrial enterprises, and in the still large deficits of these enterprises.

CSO: 4006/541

INDUSTRY

BRIEFS

SHANDONG COLLECTIVE ENTERPRISES--Collective enterprises have vigorously developed in Shandong Province. By the end of 1983, the total output value produced by the collective enterprises in the province reached 11.54 billion yuan, accounting for 28.5 percent of the province's total industrial output value. In 5 years between 1979 to 1983, some 1.31 million jobless youths found jobs through various employment avenues. [Excerpts] [SK150541 Jinan Shandong Provincial Service in Mandarin 2300 GMT 4 May 84]

CSO: 4006/519

CONSTRUCTION

RENMIN RIBAO ON INVESTMENT RESPONSIBILITY SYSTEM

HK170427 Beijing RENMIN RIBAO in Chinese 14 May 84 p 5

[Article by Zhou Jiuhong [1719 0036 7703]: "Practice the System of Contracted Economic Responsibilities in Investment in Construction Projects"]

[Text] In recent years, the system of contracted economic responsibilities in investment in construction projects has been practiced in some construction projects, particularly in extremely big projects, and the economic results of their investment have been improved.

The practice of the investment responsibility system chiefly means the signing of contracts on economic responsibilities in investment of construction projects approved by the state between the unit of construction and the building enterprise, based on the scope of design, budgetary estimate, contents of the project, completion schedule, quality of construction, and consumption of materials in accordance with relevant stipulations of the state, so as to make explicit the economic responsibilities between the two parties concerned.

The system of contracted economic responsibilities in investment in construction projects is a good measure. Originally, in carrying out capital construction in our country, the responsible department would allot the investments to the unit of construction, which would provide the funds and building materials needed by the construction project for the building enterprise, while the latter would provide sheer labor service. The schedule and economic results of this construction project had very little to do with the building enterprise. In the construction of many projects, money was spent without any restrictions in the course of building. There were no rules to abide by in cost accounting, and expenditures were reimbursed for what had been spent during the final accounting. Often, the final accounting would exceed the budget, the budget would exceed the budgetary estimate, which in turn would exceed the investments. It was very difficult to keep investment under control. Since the implementation of the investment responsibility system in construction projects, such conditions have rapidly changed, and building expenditures have dropped in many units.

In Shanghai, experiments in various forms of the investment responsibility system in construction projects have been carried out in some construction

projects have been carried out in some construction projects. According to the statistics of 27 projects, 23 which have implemented the investment responsibility system have saved 11.8 percent of their investments; the other four which have not implemented the system have all been overspending, with the overspent sum accounting for 16 percent of their budgetary estimate. This illustrated that it makes a world of difference whether or not the system has been implemented.

Since the implementation of the investment responsibility system, the actual period of building has been shorter than the stipulated time for building. Some projects have been completed around 50 percent faster than similar projects not implementing the system.

Construction quality also has been improved since the implementation of the investment responsibility system. It is required that the construction quality of projects under contract should be of high quality, that checkup and acceptance should be based on the standard stipulated by the state, and that the projects should not be handed over to construction units unless their quality is guaranteed. All this has promoted the improvement of the quality of the construction projects.

Working out a project budget in the past would involve a large amount of work in making a joint checkup on the blueprint, labor input, per unit cost, and so on. Since the implementation of the investment responsibility system, the procedure for working out a project budget and checkup has been simplified. Responsible departments and construction banks no longer worry about a shortage of personnel in the checkup, and the two parties concerned no longer dispute over trifles in the budget and in settling accounts. As a result, work efficiency has been greatly raised.

In order to implement the investment responsibility system, it is imperative to do a good job in the preparation of basic data. The general budgetary estimate in design is the chief basis for implementing the system. Therefore, it is primarily necessary to determine the budgetary quota of various projects, the per unit cost of materials, and the standard of charges. Only then will it be possible to lay a foundation for the investment responsibility system.

CSO: 4006/519

RENMIN RIBAO DISCUSSES METHOD OF ISSUING BONUSES

HK111341 Beijing RENMIN RIBAO in Chinese 4 May 84 p 5

[Article by Yuan Zhen [5913 2182]: "Several Questions on the Understanding Regarding Reform of the Method of Issuing Cash Awards"]

[Text] Recently, on the basis of investigations and studies at the grass-roots levels and the summing up of the masses' practical experiences, the Anhui Provincial CPC Committee and the Provincial People's Government have decided to further perfect the economic responsibility system in enterprises, and to reform the method of issuing cash awards. The basic spirit of this reform is to learn from and make use of the experience of the responsibility system in agricultural production and apply it in state-run enterprises. With regard to the management of cash awards for staff and workers, the control of the awards in proportion to standard wages will no longer be practiced, and the awards are to be linked to economic results, so that egalitarianism can be overcome. Some of the enterprises and staff are allowed to obtain higher economic results through their hard work, and their income may be greater than the average. After this proposal on reform was made known to the masses, it was received with interest and was welcomed by the broad masses of staff and workers. Of course, there are a number of comrades who have expressed their doubts and worries. This article attempts to put forward some preliminary views concerning several questions of interest to many people, so that further studies can be conducted.

Why Should the Method of Issuing Cash Awards Be Reformed?

Under the present wage system, the reform of the method of issuing cash awards is urgently demanded by the cadres and staff. It will facilitate the further mobilization of the initiative of the enterprises and staff, the enhancement of economic results, the increase of the state's financial revenue, the further emancipation of the productive force, and the creation of a new situation in economic work.

First, setting an upper limit for cash awards inhibits the initiative of the enterprises and staff, which is harmful to the enhancement of economic results and to the increase of the state's financial revenue. A multitude of facts during the investigations have proved that the practice of setting an upper limit for cash awards is not a good policy and is a measure which

is resorted to only in the absence of better means. Take for instance the popsicle workshop of the Bengbu milk products factory in our province. For 3 successive years since 1980, it had sustained losses. In 1983, the factory authorities decided to recruit capable persons to carry out production on contract terms. They stipulated that during the production period of over 4 months, 60,000 yuan of profits should be realized. The amount of money in excess of this figure would be shared 60 percent by the factory and 40 percent by the contracted personnel and workers of the workshop; if the plan for profits was not fulfilled, the wages would float downward. In this way, the interests of the state, the enterprise, and the staff and workers were closely linked together. Four comrades in the production section and the supply and marketing section of that factory undertook to sign and execute the contract, and as a result, 108,000 yuan of profits were realized in 4 months. According to the contract, the contracted personnel and the workers in the workshop were entitled to a cash award of more than 20,000 yuan. However, they only got a little over 5,000 yuan as a result of the implementation of the upper limit stipulation, which greatly impaired the initiative of the cadres and workers. Last year, in a unit in our province, they linked part of the staff's wages plus awards with profits, and let it float upward or downward in accordance with production results; but even this small reform failed to materialize because of the setting of the upper limit for cash awards. Such incidents have not been uncommon in the industrial and commercial enterprises in our province. These facts tell us that in order to overcome egalitarianism in granting cash awards, it is necessary to reform the method of setting the upper limit for cash awards. Failure to reform this method is disadvantageous to the enhancement of economic results and to the increase of the state's financial revenue.

Setting the upper limit for cash awards is not in line with the principle of distribution according to work. The principle of socialism is distribution according to work, which means more pay for more work. The cash awards are remuneration for above-norm labor. The amount of cash awards should be linked to the economic results of the enterprises, that is, the cash awards of the enterprises should float upward or downward according to the economic results, so that the distribution of cash awards can be markedly different for enterprises with different economic results. The current practice of linking cash awards with a certain proportion of the staff's standard wages has no connection with the economic results. Consequently, no marked difference exists between the advanced enterprises and the backward enterprises in terms of the level of cash awards. This method is unscientific from a theoretical point of view, is contradictory to the essence of cash awards, restrains the initiative of the laborers, and does not conform to the socialist principle of distribution according to work. According to the initial estimates of the relevant departments of our province, in various prefectures and cities of the province, there is a great difference in terms of the amount of cash awards per 100 yuan profits and taxes (excluding the industrial and commercial tax): for those prefectures and cities with better economic results, the cash awards per 100 yuan profits and taxes range from more than 10 yuan to 20-odd yuan; but for those with

poor economic results, the cash awards per 100 yuan profits and taxes amount to as high as scores of yuan and even up to 100 yuan. This egalitarian method, in which cash awards are granted according to a certain proportion of the standard wages and in which the advanced and backward enterprises are "eating rice from the same big pot," should not continue to exist. We should not turn a deaf ear to the voices of the masses in demanding the elimination of "eating rice from the same big pot" and in opposing egalitarianism. We should act on the basis of the just demands of the masses, and reform the method of issuing cash awards, so as to better implement the principle of distribution according to work. Of course, because of the influence of the objective factors such as prices and tax rates, different enterprises acquire different levels of profits even if they put in the same amount of labor. Hence, if cash awards are calculated only on the basis of the amount of profits, it will lead to an irrational distribution of income among the enterprises. Therefore, under the condition that the existing prices of products are irrational and the pricing system cannot be reformed within a short time, with an aim of solving the above problems, the rate of cash awards must be fixed in accordance with the different conditions of various enterprises, and it is essential to carry out rational readjustment.

Third, the reform facilitates the implementation of the party's policy of enriching the people. The policy of enriching the people is the starting point of our reform and also the end-result of its implementation. In December 1978, Comrade Deng Xiaoping pointed out at the central work conference: "Regarding the economic policy, I hold that some of the regions, some of the enterprises, and some of the workers and peasants should be allowed to acquire more income and to live better before others as a result of their hard work and greater achievements." This is a great policy of our party. Since we can practice the responsibility system in agricultural production with the result that some of the peasants have become rich through their hard work, why should we not be able to reform the method of issuing cash awards in the industrial and commercial enterprises so as to allow and encourage part of the enterprises and part of the staff and workers (including intellectuals) to get rich before others? All those methods, which facilitate the mobilization of the initiative of the staff and workers and are beneficial to the state and the enterprises, are good methods, and they should be explored, practiced on a trial basis, and implemented. Only in this way can the party's policy of enriching the people be truly implemented.

Will Cash Awards Without an Upper Limit Affect the Financial Revenue?

In the course of discussing reform and the cancellation of the upper limit for cash awards, some comrades are worried about the possible effect of reducing the financial revenue of the state. This worry is understandable. The profits and taxes delivered to the state by the enterprises owned by the whole people are the principal sources of the state's financial revenue, and the production and circulation in industry are restrained and affected by a great variety of factors, which reflects one aspect of the complexities of conducting reform in enterprises owned by the whole people. Any ideas or practices that fail to cater to these complexities, or fail to first

ensure the steady growth of the state's financial revenue, but attempt to gain benefits out of the state's financial resources, are not beneficial to the overall situation and are therefore not permitted. However, we should never bind our own hands just because of the complexities of the enterprises owned by the whole people, and fail to explore new ways of reform. We should also see the other side of things. Since the 3d Plenary Session of the 11th CPC Central Committee, the party's line, principles, and policies have struck root in the hearts of the people, and the broad masses of cadres and workers have been desirous of conducting reforms for the building of the four modernizations; in addition, we have accumulated some initial experiences in carrying out the economic responsibility system in enterprises, which in turn provides favorable conditions for us to explore ways of reform. In the course of our investigations, we have seen that some of our comrades have already achieved encouraging results in exploring ways of reform. For example, some places have put forward a way of reforming the method of issuing cash awards, and have linked the cash awards of the enterprises to the fulfillment of the task of submitting financial revenue to the state, without setting any upper limit for the cash awards. According to the estimates of some cities, whenever a staff member gets 1 yuan of cash award, the state will get 26 to 28 yuan in terms of profits and taxes. Thus, this reform is not only harmless to the state, but is beneficial to the state; it does not reduce the financial revenue, but increases the financial revenue--is it not worthwhile to promote this kind of reform? It is on the basis of summing up the practical experience of the masses that our province puts forward the way of reforming the method of issuing cash awards. This is: Within the boundaries stipulated by the central authorities, on the premise of fulfilling the state plan and the task of delivering profits and taxes to the state, the management methods of the province toward the cash awards in prefectures and cities should be reformed. The control which was exercised based on a certain proportion of the total amount of the standard wages is no longer applicable, and the cash awards are to be linked with the economic results as well as the delivery of profits and taxes. If an enterprise delivers its financial revenue in excess of the annual plan, its norm of cash awards will increase correspondingly; if an enterprise fails to accomplish its task of delivery to the state, the norm of cash awards will decrease proportionally, and may even be cancelled altogether. The practice of setting no upper limit for cash awards is not absolute but is conditional. Furthermore, certain restraints should be imposed so as to guard against the excessive growth of consumption funds. The measure of control adopted by us is: The rate of growth of cash awards of enterprises should be in step with the rate of growth of the profits (or profits and taxes) delivered to the state, but "if the amount of delivery in excess of the stipulated norm is not great, the growth of cash awards can be synchronous; if the amount of delivery in excess of the stipulated norm is great, the growth of cash awards should be smaller and decreases by degrees." We firmly believe that through the efforts of the CPC committees and governments at various levels of our province and those of the staff and workers, the result of the guided and planned reform will certainly be a great increase in the economic results. In this way, the state will be able to get more revenue, the enterprises

can retain more funds, and the staff and workers can have more income, so as to ensure that the state gets the major benefits, the enterprises get the medium benefits, and the individuals get the minor benefits. It is unfounded to worry about the possible effect of reducing the financial revenue of the state because of our current practice of setting no upper limit for cash awards.

In the Reform of Enterprises, Is It Necessary To Learn From the Basic Experience of the Contract System in Agriculture?

The answer to the above question is in the affirmative. The responsibility system in agricultural production popularized in our province is an important reform, a path leading to affluence for the socialist agriculture of our country, and an effective method of combating poverty, which has a universal guiding significance for all fronts. Its core is the "contracted responsibility." If we want to change the backward state of the industrial and commercial enterprises in our province, and to enhance the economic results rapidly, it is necessary to learn from the creative spirit in agriculture, and explore various kinds of systems of contracted responsibility which are suited to the characteristics of our industrial and commercial enterprises. In agriculture, what is practiced is the system of contracted responsibilities with payment linked to output on a household basis. The relationship between the industrial and commercial enterprises and the state consists mainly of substituting taxes for delivery of profits, and at the same time, the system of contracted responsibilities in operations is implemented at all levels in enterprises, which is applicable to the factory headquarters, the workshops, the sections and offices, the groups, and the individual. In 1980, a financial contract system was implemented in the entire small-sized nitrogen fertilizer industry, and by the end of that year, the industry had turned losses into profits. Last year, in Anqing City, there were 24 factories which, through the implementation of the contract system, greatly increased their taxes and profits handed over to the state, the lowest being 38 percent higher than in the previous year, and the highest being 200 percent higher than in the previous year. Since the implementation of the contract system can greatly enhance the economic results, why should other state-run enterprises in the province not practice this system in their operations? In implementing the contract system, it is necessary to strengthen the leadership first, and do a good job in planning the economic responsibility system within the enterprises. In accordance with the principle of integrating responsibility, power, and benefits, it is essential to implement a whole set of measures concerning contracted task, guarantee, and inspection. Contracts formally signed should be resolutely implemented. Accomplishments with merit should be awarded, and those who fail to fulfill the contract terms should be held responsible for economic responsibilities, so that awards and punishments should be accorded in a strict and clear-cut manner. As for collective industrial and commercial enterprises and the service trade, they should act in a way similar to the contract system practiced in agriculture. That is, in principle, delivery to the state should be accomplished as prescribed, retention for the collective should be effected as appropriate, and the remaining part should be distributed among staff and workers. However, the case of industry is quite different from that of agriculture. For the peasants, a considerable

portion of their income is used in investment in the means of production in agriculture and the investment in land. And for the staff and workers in the collective industrial and commercial enterprises, their income from distribution is generally used for personal consumption only. Therefore, it is necessary to establish a proper proportion between the collective retention of profits and the distribution for staff and workers in accordance with different conditions, so that the income of staff and workers can float upward and downward with the results of the economic achievement of the enterprises.

It Is Necessary To Have a Revolutionary Spirit of Daring To Blaze New Trails

In order to carry out reform and to explore new ways, it is necessary to have a revolutionary spirit of daring to blaze new trails. This is the concrete manifestation of conscientiously implementing the line, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee. This requires that our leaders should continue to emancipate their minds, further eliminate the "leftist" influence in economic work, and enthusiastically support and lead the reforms. Without emancipating the mind and eliminating the "leftist" influence, it would be impossible to persist in carrying out the reforms.

In order to carry out reforms, it is necessary to have the practical spirit of exploring new paths. In handling matters, some of our comrades dare not do anything if there are no "instructions" or "documents" from the upper level authorities. They do not realize that these "instructions" or "documents" are not inherent in the minds of the leaders, but are the results of scientifically summing up the practical experiences of the masses; in addition, the correctness of these "instructions" and "documents" needs to be tested, revised, supplemented, and developed through the practice by the masses. In Anhui, the contract system on household basis has been practiced in agriculture. At the beginning of the implementation of this system, there were no "instructions" and "documents" from above, but the central authorities and the provincial CPC committee promptly summed up the practical experience of the peasants, affirmed the fresh experience of carrying out the contract system on a household basis, and thus opened up a new situation in the development of agriculture in our country. This has shown us that we should carry out the line, principles, and policies of the central authorities in a creative way. Now, on the basis of investigations and studies, we have formulated a method of reforming the issue of cash awards. Its purpose is to better implement the party's line, principles, and policies, and we will persist in upholding this path of reform.

In order to carry out reforms, it is necessary to be bold in breaking through various kinds of obstructions and obstacles. The path of reform has been uneven at all times and without exception. In the period of Northern Song, Fan Zhongyan suffered very serious setbacks in his attempt to reform the political situation, but he did not feel depressed because of his personal difficulties. In his well-known article "Notes on Yueyang Tower," he expressed his mood by writing down the famous passage "to plan and worry ahead of the people, and enjoy the fruits after the people." Similarly,

it is not all plain sailing for the reformers of today. The running of the pharmaceutical factory contracted by eight youths in Fanchang County of our province and the reform conducted by Bu Xinsheng in Zhejiang were once subject to numerous criticisms and censures. Still, the new society is different from the old. In a socialist society, the final victory belongs to the reformers, because they enjoy the full affirmation and active support of the party and the people. Our comrades who are engaged in economic work should actively learn from the spirit of all these reformers in overcoming all the difficulties and obstacles and in daring to blaze new trails.

In order to carry out reforms, it is necessary to have a persistent spirit of struggle. Reform means exploration. Mistakes may occur in the course of reform due to lack of experience, which is quite natural and should not be dreaded. We should not give up our attempts just because of a few mistakes. Reforms may succeed, but they may fail. We should allow failures in reforms, but should never allow inactivity in reform. There will be no way out without conducting reforms. Since the 3d Plenary Session of the 11th CPC Central Committee, the reform in agriculture has provided us with successful experiences. There is an experience in implementing the contract system on a household basis in agriculture in our province: Whenever the party committee pays attention to the work and takes part in the practice of the masses, the progress is rapid, smooth, and healthy, new problems are promptly solved, and there are very obvious results in the increase of production; if the leadership fails to emancipate their minds, takes an irresolute attitude, gives up leadership, and let things drift without guidance, or even criticizes reforms in an irresponsible or cynical manner, the progress in work will be slow, new problems will be hard to solve, and the development of production will be in comparatively low gear. So long as we can learn from the historical experience, enhance our art of leadership, strengthen investigations and studies, work out practical measures and methods, pay attention to grasping the new situation in practice, sum up new experiences, and promptly solve the newly emerging problems, it is certain that we can do a good job in reforming the industrial and commercial enterprises.

CSO: 4006/519

LABOR AND WAGES

BRIEFS

LIAONING SELF-EMPLOYED WORKERS' ASSOCIATIONS--As of 18 April this year, 18 provincial level cities, 2 prefectures, 90 counties and districts, and Tieling, Faku, and Chaoyang cities across Liaoning Province established self-employed laborers' associations. There are more than 290,000 self-employed laborers across the province who have been all recruited into the associations. [Excerpt] [SK170058 Shenyang LIAONING RIBAO in Chinese 21 Apr 84 p 1]

CSO: 4006/519

TRANSPORTATION

RENMIN RIBAO URGES SUPPORTING REFORM OF TRANSPORT

HK020816 Beijing RENMIN RIBAO in Chinese 28 Apr 84 p 2

[Commentator's article: "Cargo Transportation Should Be Given Priority in Reform"]

[Text] Cargo transportation occupies an important place in our national economy. It is closely related to highway, railroad, and water transportation and to aviation, storage, commodities, construction, and many other sectors.

Our transportation business is relatively backward. The labor efficiency is low, economic results are poor, and the cycle of loading and unloading is long. The phenomenon of letting stocks pile up at ports and stations, in boats, cars, and storage for so long that goods deteriorate in quality has reached quite serious proportions. Failure to load or unload certain imported or exported goods has not only caused an economic loss to the state but produced an unfavorable influence.

Low efficiency and poor results in transportation are traceable to complex factors. But the most important cause is the system of equally sharing in the "big rice pot" that has restrained the masses of transportation workers. Our transportation business is an enterprise chiefly involving labor. Giving full play to the role of individual workers is a matter of great importance. Before the reform, the attendance rate at the Dalian port was only around 70 percent, and the utilization rate for loading and unloading time was some 60 percent. The phenomenon of leaving work unfinished was rather common. With a reform in effect, production work has changed from the previous state of being "inexhaustible" to "inadequate assignments." This fact fully shows that in transportation, so long as we break with the "big rice pot" and introduce the responsibility system at all levels, the picture will change very quickly.

In a recent notice, the State Council pointed out: Priority may be given to mining, construction, and transportation in carrying out the formula calling for not putting a ceiling on monetary awards and imposing taxes on such awards. This has been put forward, with the features of these industries taken into full consideration. The reform of transportation should go one step further. In carrying out distribution according to work and breaking with "big rice pot" egalitarianism, we may take bigger steps forward. It is hoped that the departments concerned will actively render support.

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